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OAS Resolution Expresses Regret on U.S. Action

FL2312174589 Bridgetown CANA in English 1455 GMT 23 Dec 89

[Text] Washington, Dec 23, CANA— Several Caribbean and Latin American nations on Friday voted in favour of an Organisation of American States resolution expressing deep regret at the United States' military action in Panama this week. But one Caribbean Community nation abstained from voting and at least four others were reported absent during the vote.

The OAS Permanent Council's resolution was approved by 20 votes in favor of the membership of 31 active states at the OAS after consultations and negotiations that went through the whole day Thursday, the whole night, and ended Friday at 5:16 am.

Voting in favor were the delegations of Ecuador, Haiti, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, the Dominican Republic, St Lucia, St Kitts and Nevis, Suriname, Trinidad and Tobago, Uruguay, Argentina, Barbados, Bolivia, Brazil, Colombia, and Chile.

Voting against was the delegation of the United States, while El Salvador, Honduras, Venezuela, Antigua and Barbuda, Costa Rica and Guatemala abstained. The delegations of Grenada, Dominica, the Bahama and St Vincent and the Grenadines were absent.

The meeting was presided over by the chairman of the permanent council, Ambassador Angus Albert Khan, of Trinidad and Tobago.

"The permanent council resolves.... To deeply regret the military intervention in Panama.... Urge the immediate cessation of hostilities and bloodshed and request that negotiations begin between the various political sectors of the country," the resolution said. It called for "the withdrawal of the foreign troops used for the military intervention."

U.S. troops based in Panama and others flown in toppled Panamanian strongman General Manuel Antonio Noriega on Wednesday. The U.S. helped set up a government headed by former opposition leader Guillermo Endara.

Area Unity Movement Organizing To Defend Panama

PA2712045189 Paris AFP in Spanish 0340 GMT 27 Dec 89

[Text] Quito, 26 Dec (AFP)— The Movement for Latin American Unity [Movimiento por la Unidad Latinoamericana] (MULAC) today urged all people in the region to join a "Simon Bolivar Latin American Brigade to go and defend Panama as long as the U.S. troops remain."

The United States, by "brutally and irrationally" invading Panama, thus going against the right of the peoples, against international law, and breaking the Inter-American Reciprocal Assistance Treaty, "has unleashed a confrontation with serious repercussions for hemispheric and world security," the MULAC maintains.

The movement maintains that just because a U.S. officer was killed, the United States invaded a sovereign state; so what can Latin Americans do about the 200,000 people missing and the hundreds of thousands of people assassinated in the region?

"We urge all Latin Americans, all leaders, personalities, and organizations involved in the MULAC to exert pressure and to implement all kind of actions to preserve peace and halt the U.S. military invasion against South America," Ecuadoran Socialist Deputy Francisco Carrasco, coordinator of the MULAC Executive Council, stressed.

Cuba

Ministry Says U.S. Preventing Embassy Access

FL2612133089 Havana Tele-Rebelde Network in Spanish 1201 GMT 26 Dec 89

["Full text" of statement issued by the Cuban Foreign Ministry, MINREX, on 25 December]

[Text] Since the morning hours of 24 December, combat vehicles and U.S. troops that are invading Panama have surrounded the residence of the Republic of Cuba's ambassador in Panama, they have been harassing and applying various psychological warfare tactics and preventing the free movement of Cuban diplomatic personnel including Comrade Lazaro Mora, the ambassador.

At 1030 today Major (Axon) from the 29th Battalion, 504th Regiment of the 82d Airborne Division, in contradiction to assurances given by officials from the State Department in Washington and by the chief of the U.S. Interests Section in Havana, told the advisor of the Cuban Embassy in Panama, Comrade Luis Delfin Perez, that his task in commanding the troops surrounding the residence was to prevent the entrance and exit of personnel, maintain the siege, and arrest any Cuban diplomat, regardless of rank, who tries to move to any other place.

At 1800 Advisor Luis Delfin Perez went to the door of the residence and asked to talk to the chief of the detachment. U.S. troops threatened Delfin Perez with their weapons and a U.S. officer reiterated that the instructions he had were to arrest any Cuban who tries to leave the residence. Furthermore, on other occasions, the troops that surround the residence have donned gas masks, used special transportation to constantly observe beyond the gate the area of the residence. They disconnected the closed circuit television cameras which permit control of the entrance to the residence, and they carry out intimidating actions.

As was opportunely pointed out to the appropriate U.S. authorities, there is a group of women and children, among others, inside the residence whose personal safety is being threatened because of the lack of food and medicine which cannot be freely accessed by that building. There cannot be any doubt that the group of Cubans also inside the building will not permit an unpunished violation of the extraterritoriality of the Cuban ambassador's residence.

The dangerous situation created by the U.S. occupation troops could lead to a painful incident whose responsibility would fall fully on the authorities in Washington and the heads of those forces. On behalf of the Government of Cuba, the MINREX criticizes the illegal and serious action taken by U.S. troops in Panama against the Cuban diplomatic personnel and their relatives in that country. It demands the respect for international norms which regulate the treatment of embassies and diplomats, even in time of war. Accordingly, the ministry also demands that hostile actions against the residence of the Cuban ambassador in Panama cease.

In light of the impossibility of obtaining a serious and responsible answer from U.S. authorities, the Government of Cuba has decided to bring this matter to the attention of the UN Security Council.

Consul Describes Situation

FL2712023889 Havana Radio Rebelde Networks in Spanish 0022 GMT 27 Dec 89

[Telephone interview with Jose Luis Mendez, Cuban consul in Panama, by Pedro Martinez Pirez from Radio Havana Cuba studios during "Exclusivo" program—recorded]

[Text] [Martinez] Radio Havana Cuba interviews over the phone Jose Luis Mendez, Cuban consul to the Republic of Panama. We would like to have an update of what has happened today up until now, that is, shortly after 1700 Cuban and Panamanian time.

[Mendez] Yes. I can tell you that the situation in the embassy is stable. U.S. troops continue to control the area around the embassy. The control has decreased but we are still surrounded by the equipment and the barriers they had placed. We can leave the embassy. We are exiting the embassy, with precautions of course. We do not have limitations.

This is not the case in the residence. We have tried to give support from here to the comrades that are at the residence by supplying them with foodstuffs. None of us can get close to the place without risking the U.S. troops arresting any Cuban who gets close to the place. We have used alternate means.

We have also been able to deliver, through a friendly representation, supplies to the children and women who are there at the residence, and we continue working on that line. We maintain our position and we are supporting the position of the comrades who are in the residence. As it is known, the situation is very serious.

Contrary to all predictions, our children are well. They are happy. Birthdays have been celebrated there. The children are showing the U.S. troops that they are not afraid of them. I believe this is an example of how we are dealing with this situation.

[Martinez] Mendez, in addition to the permanent solidarity you have had from the Cuban people and, of course, from the Cuban Foreign Ministry, have you had any kind of solidarity and support from other diplomatic missions, mainly Latin American diplomatic missions in Panama?

[Mendez] Sure. We have had support from some of them and especially from one Latin American mission that is helping us. I do not mention the country but you will understand why.

[Martinez] Thank you very much Jose Luis Mendez, Cuban consul to Panama, for this report given to Radio Havana Cuba.

[Mendez] Thank you for following our situation. So long.

U.S. Official Clarifies Problem

FL2612145089 Havana Radio Rebelde Network in Spanish 1022 GMT 26 Dec 89

[Interview with John Taylor, chief of the U.S. Interests Section in Havana, by Felix Fernando Garrido at the Cuban Ministry of Foreign Relations, MINREX, on 25 December carried during the "Haciendo Radio" program—recorded]

[Garrido] At the end of discussions held between Mr John Taylor, chief of the U.S. Interests Section in Cuba, and Comrade Ramon Sanchez-Parodi, vice minister of the MINREX, at the headquarters of that office, Radio Rebelde obtains a statement from Mr Taylor.

Good evening, Mr Taylor, we are from Radio Rebelde here in Cuba, we would like some details on your discussion with Comrade Parodi, and on what the United States has decided with regard to our diplomats in Panama.

[Taylor] I have confirmed that the United States accepts the rights of the Cuban diplomats and that U.S. troops must not prevent their normal diplomatic activities.

[Garrido] Is there a contradiction between your government's guidelines and what the soldiers are doing there? In other words, the guidelines are that the diplomats are free to come and go. However, are the soldiers aware of this decision?

[Taylor] I think that the situation is now clear. Thank you.

[Garrido] Thank you, Mr Taylor, for your statements to Radio Rebelde.

UN Official Offers to Mediate

FL2712021889 Havana Television Service in Spanish 0129 GMT 27 Dec 89

[Text] Enrique Pena Loza, a Colombian who is chairman of the UN Security Council, has offered to mediate in an attempt to solve the situation of our embassy in Panama, which has been surrounded by U.S. soldiers for 5 days now. The United States opposed that the case be discussed by the UN Security Council during informal consultations held this afternoon to analyze the situation in Romania and Lebanon.

Cuba requested today that that organ study the siege to our diplomatic mission in Panama. PRENSA LATINA reported that Pena Loza and Thomas Pickering, U.S. Ambassador to the United Nations, have already had contacts to discuss such events. However, although the Washington representative said the problem would be solved, the Cuban mission continues to be surrounded by U.S. occupation forces.

Havana City Province Leader on Anti-U.S. Rally

FL2312013289 Havana Radio Rebelde Network in Spanish 2144 GMT 22 Dec 89

[Interview with Jorge Lezcano Perez, member of the Politburo and first secretary of the Communist Party of Cuba in Havana City Province, by Felix Fernando Garrido during special "Exclusivo" program—live]

[Text] [Garrido] Panama is on a war footing, my friends, and the residents of Havana City, like the Cuban people at large, are also raising their voices to condemn and to reject the vile Yankee aggression against Panama and, of course, hailing the solidarity slogan with the just cause of the Panamanian people. Standing here beside me, near the esplanade outside the U.S. Interests Section in our capital, is Jorge Lezcano Perez, who has also been watching this multitude, this wave of humanity, of people, of workers who are continuously flowing here to express their rejection of the Yankee aggression. Good afternoon, Comrade Lezcano.

[Lezcano] Good afternoon, Garrido.

[Garrido] We would like to ask you about your impression, your evaluation of this rally, which has been attended day after day and minute after minute by virtually all Havana City residents to express their rejection of the Yankee aggression and their support for the Panamanian people.

[Lezcano] Like me, you are also watching the thousands and thousands of Havana City residents who are rallying here outside the U.S. Interests Section to reject and condemn the imperialist invasion of our brother people of Panama. They have come to express their solidarity with these brother Panamanians at such a difficult time for Panama, for Central America and for Latin America.

This rally, in which our people have expressed their solidarity with the Panamanian people and their rejection of this hateful aggression, is already in its third day. The people of Havana City, as well as the Cuban people at large, are aware of the difficult times in the world today. Our people, our young people, students, workers, housewifes, members of the committees for the defense of the revolution, the members of the Cuban Women's Federation, all Havana City residents are here expressing their decision to give everything for Panama, if necessary; to fight to the last drop of blood for our fatherland, for our revolution, and for socialism, if necessary. During the past 3 days, the gentlemen who are representing the United States at the U.S. Interests office were able to confirm our people's firm determination. The Cuban people have steadily demonstrated during these 3 days. Some have expressed their desire to help Panama in any way possible. They all vowed to follow the directives of the commander in chief and of the party to

do what they have to do. They are all firmly committed to making our revolution increasingly strong, to defending the socialism of Cuba with their own lives if necessary.

Workers Demand Panama Trade Union Head Release

FL2312215989 Havana Tele-Rebelde and Radio Rebelde Networks in Spanish 2130 GMT 23 Dec 89

["Note" issued by Cuban Workers Federation, CTC, on special edition of "Exclusivo" and "Revista de la Tarde" programs]

[Text]—I would like to inform Resillez [Antonio Resillez, host of "Revista de la Tarde" program] and the television viewers of our comrade station—that a few moments ago we received a note from the CTC that demands that the life of the prestigious Panamanian trade union leader, Hector Aleman, be respected. Aleman was arrested by the Yankee invaders. The note says, literally:

The CTC strongly protests the detention of the prestigious leader of the National Federation of Public Workers of Panama, Hector Aleman, by the Yankee invaders and demands complete assurance that his life is safe and that he be released immediately. The CTC calls on the entire international trade union movement and all progressive and patriotic forces of Latin America and the world to raise a large world campaign of solidarity with Comrade Hector Aleman, who is now in danger of being assassinated by the barbaric invaders, who occupied the brother Republic of Panama in a Hitler-like manner.

Castro Attends People's Assembly Meeting Opening

FL2612153089 Havana Tele-Rebelde Network in Spanish 1453 GMT 26 Dec 89

[Text] Our Commander in Chief Fidel Castro this morning is attending the work session of the National Assembly of the People's Government, ANPP, which has begun at the Palace of Conventions.

The first agreement adopted in the assembly was a deputies' declaration to the people urging the use of Fidel's 7 December speech as a work guideline. This sixth session includes the progress report of the Councils of State and Ministers and reports on the assembly's international activities, among other topics.

Assembly Discusses Problems

FL2612204489 Havana Tele-Rebelde Network in Spanish 1800 GMT 26 Dec 89

[Text] The first agreement made by the deputies was the approval of a statement which expresses the willingness of our people to continue building socialism under the guidelines of the party and Fidel.

[Begin unidentified speaker recording] This National Assembly of the People's Government [ANPP] of the Republic of Cuba agrees to:

First, to endorse the contents of the speech given on 7 December by the President of the Councils of State and Ministers, Commander in Chief Fidel Castro, because in it, he presents in an exemplary manner the thinking and the policy principles of the party, state, and people of Cuba at this crucial time of contemporary history at the threshold of the 21st century.

Second, to reaffirm in its entirety the Constitution approved by referendum by 97 percent of the Cuban people, and in particular, its articles 1 and 5 whose content is the following:

Article 1 - The Republic of Cuba is a socialist state of workers and peasants, and other manual and intellectual workers.

Article 5 - The Communist Party of Cuba, organized vanguard, Marxist-Leninist faction of the working class is the superior leading force of society [word indistinct] state which organizes and guides the common efforts toward the lofty goals of building socialism and progress toward a communist society. [end recording]

[Words indistinct] to the Sixth Regular Session of the Third Legislature of the ANPP, which is being held at the Palace of Conventions. Another of the agreements reached at the meeting was the condemnation statement against the Yankee invasion of Panama. The Cuban deputies made a call to all parliamentarians of the world expressing solidarity with the brother Panamanian people [passage indistinct].

[Begin unidentified speaker recording] [Passage indistinct] as the most recent action of Yankee infamy, but it also constitutes an insult to [words indistinct] corners of the world, and in particular in Latin America where they are trying to find a solution to the conflicts which trouble humanity. [end recording]

During its progress report to the ANPP, the Construction Materials Industry reports a 97 percent fulfillment rate for the year's plan, and an additional 7 percent of growth in comparison to 1988. The minister of materials industry gave a brief synthesis of the most current data on the sectors' production for this year. The second semester has been successful because there has been an outstanding increase in production. The cement factories in Nuevitas and Artemisa have broken the cement production record for November. Up until 15 December, the production was greater than 3.5 million tons, a larger figure than what was reached in 1988. For this year, record figures will also be reported in the production of asbestos-cement pipes [as heard] for aqueducts, marble, tiles, mosaics, and cement blocks, among others.

(Maximo Anguino) read the report on behalf of the commission for construction and housing of the ANPP.

He said that it is necessary to attain greater control in the investment process, improve the quality of cement and ceramics, adopt measures guaranteeing the transportation of materials, prevent [word indistinct] of factories, perfect an equipment enterprise with necessary spare parts, adopt measures preventing the deviation of resources, and provide these materials for the population.

The commission also congratulated all the workers of the sector for their efforts, work results, and the serious and creative spirit in this sector, that has made 131 investments in the last 3 years.

Our Commander in Chief Fidel Castro, president of the Councils of State and Ministers, presided over the discussions on the results and prospects for this economic program.

[Begin unidentified speaker recording] Commander, comrade deputies, regarding transportation of cement nationwide, I believe we have taken an important step with the Transportation Ministry in establishing a stable procedure regarding transportation from the factories to the provinces and the territories. This is an extremely serious problem taking into account the status of transportation facilities. Through a number of measures, which have also been taken by our comrades dealing with transportation in the factories, we have improved transportation to the territories.

Regarding deliveries to municipalities, namely the case mentioned by the deputy from Corralillo, we actually deliver the cement and other construction materials to the people's governments through the Housing Maintenance and Services Enterprise [Empresa de Conservacion y Servicio de la Vivienda].

This is a problem that affects not only cement, but other items. Regarding cement, we deliver it to that enterprise. Regarding other items, even local products, deliveries are made directly to our centers. This is mentioned in the recommended measures we and the people's governments should study to improve this system, which is currently too bureaucratized.

[Castro] What about the steel rods, where do you load them? Does Antillana de Acero pick them up; do you take the cement there to....

[Unidentified speaker, interrupting] We do not sell steel; the State Committee for Material and Technical Supply does that, but well....

[Castro, interrupting] But I imagine that they take it to the municipalities....

[Unidentified speaker, interrupting] They take it to the territories, as they do with cement.

[Castro] So, as our comrade said, your problem rests with getting stone, sand, which you have to go and get yourselves. That problem does not have an easy solution. We should try to figure out how many trucks each municipality needs to solve this problem and end the superbusiness of those bandits who are stealing from the people and becoming rich. For their part, these people have their partners, who are the ones having the largest amount of money. We should find out why they have more money. So, despite having the best intentions in the world, because of these problems, the worker—who is perhaps [corrects himself] who is surely working, harvesting, and doing a lot of things—has no chance of procuring the construction materials to build a house. [end recording]

Today's session includes the submission of reports to the ANPP by the Councils of State and Ministers as well as an analysis of the international situation during 1989.

Castro Visits Bus Terminal Project Site

FL2612164089 Havana Tele-Rebelde Network in Spanish 1200 GMT 26 Dec 89

[Text] Commander in Chief Fidel Castro has visited the projects for the Puente Nuevo bus terminal in Havana City. This project is under construction by Blas Roca contingents and it is in its completion phase. The Puente Nuevo terminal will substitute the one which is currently being used by rush hour omnibuses.

Fidel expressed interest in the health of the workers and the progress being made in the construction of other terminals. The workers of the contingent said to the commander in chief that this terminal will be the first one to be finished out of the eight that are now under construction.

Dissidents Split From Parent Human Rights Group

PA2312032889 Madrid EFE in Spanish 0252 GMT 22 Dec 89

[Text] Havana, 18 Dec (EFE)—The Cuban Party for Human Rights (PPDHC) issued a communique today announcing that it had split from the Coordinator of Human Rights (CODEHU) that it had formed with two other groups.

The PPDHC accepted the fact that there had been a "disintegration process skillfully provoked by the Cuban Government and also because of the organizational immaturity of some of the brothers."

Because of this disintegration process, there had been some "arbitrary separations, such as that promoted by Tania Diaz Castro," who after serving a sentence of a year in jail, was reinstated to her position, but proceeded to separate her group from CODEHU.

CODEHU asserts that Tania Diaz's decision was only accepted by a small group within the PPDHC and that most of the activists did not leave CODEHU.

The Cuban Human Rights Committee and the Marti Committee for Human Rights organizations are also members of the coordinator.

The PPDHC, the president of which is Ricardo Bofill, who has been exiled, has adopted Polish Union Leader Lech Walesa's recent statement that "the success of whatever happens on the island (Cuba) depends on those who are in exile."

PPDHC sources have reported that Tania Diaz intends to contribute toward that success by moving to Miami (United States) in January.

The communique—signed by poetess Tania Diaz, author of "All Will Have To Listen to Me," among others—also mentions that "exile is the third phase of our struggle."

The PPDHC accused Elizardo Sanchez, the Cuban Human Rights Committee leader, of being an "official activist" and "responsible for the dissidents' lack of unity."

In November, Sanchez was sentenced to 2 years in jail. In the same case, PPDHC Hiram Abi and Marti Committee Hubert Jerez were also condemned to 1 ½ years in prison each.

Inter-Caribbean Affairs

U.S. Action 'Understandable', 'Regrettable'

FL2212200489 Bridgetown CANA in English 1921 GMT Dec 89

[By Ernie Seon]

[Text] Castries, St Lucia, Dec 22, CANA— The Organisation of Eastern Caribbean States (OECS) has expressed regret over the United States invasion of Panama, according to St Lucia Prime Minister John Compton.

"Although the U.S. action is understandable, it is regrettable," Prime Minister John Compton told CANA following consultation with his colleagues in the grouping of small islands.

"There does not appear to be any outright support for the U.S. action within Caricom, but we have not condemned it, as we believe it was regrettable that the situation was left to fester so long that it has resulted in this regrettable action," Compton told CANA. The OECS nations are all members of the wider Caricom.

Compton said that he expected Nicaragua will be shouting that the U.S. will invade them and may use the pretext of the U.S. action in Panama to cancel the elections promised for February. However, he said that will only be a ruse as there is no parallel between that situation in Nicaragua and Panama.

"This is a completely different matter as the U.S. has obligations as far as the Panama Canal is concerned, for (Army strongman General Manuel Antonio) Noriega's persistent provocation against the U.S. could have threatened the safety of shipping," Compton said.

Compton said that as subscribers to the United Nations Charter, the OECS and the Caribbean Community are obligated in their dealings with other states to use peaceful means to resolve disputes.

"We understand the fact that the dispute in Panama is a little more than that: It is a festering sore between the U.S. and Panama and also between Panama and her neighbours in the OAS, and impinges on the U.S./Panama treaty," he told CANA. "...The persistent plucking at an eagle's feathers must provoke some response. But as far as we are concerned it is not what is done but how it is done," Compton added.

He said that if the whole intention was to get rid of Noriega, there should have been a surgical operation "to cut it off neatly" instead of moving into the country with such force and causing such a tragic loss of life.

"In the end their action would have created a lingering hostility between the U.S. as a nation and the people of Panama," Compton said. "We think that is the regrettable part of it, but it is understandable that countries lose their patience when the whole of the international community is being mocked at by a person like Noriega."

Caricom

Caricom Reports Progress as New Decade Begins

FL2612211589 Bridgetown CANA in English 1935 GMT 26 Dec 89

[By Rickey Singh]

[Text] Bridgetown, Barbados, Dec 26, CANA— The Caribbean Community (Caricom) in 1989 reported progress in trade, functional co-operation and initiatives on economic integration. But the 16-year-old community is moving into the new decade of the 1990's with some concern about an estimated U.S.10 billion dollar debt burden and about future trade and economic benefits from the United States and a single European market.

1989 was a year that saw several small Caribbean countries being hammered by Hurricane Hugo, changes of government in Belize and Jamaica, Caribbean leaders telling the United States they regretted its military action against Panama, and Grenada Prime Minister Herbert Blaize dying after a long fight with crippling arthritis and a prostate gland disorder.

Blaize was among Caricom leaders who at their 10th summit in Grenada last July agreed, along with the private sector, to work for the transformation, as speedily as possible, of Caricom as a single market. Towards this end, there should be by the end of January 1990 the enactment of legislation for the Caricom enterprise regime and the Caricom industrial programming

scheme. Efforts are also to be intensified to make a reality of a common external tariff and a regional stock exchange.

The consensus mood at the Grenada summit was spurred partly by the European Economic Community's march towards 1992 as a single market, the implications of which for traditional Caribbean exports continue to be of much concern to the region. Caribbean banana, sugar and rum producers said they feared they would lose preferential treatment for their products in Europe in the face of sharp competition from other Third World supplies, including Latin America.

However, there was good news in internal Caricom trade. Intra-regional trade reached its highest growth rate since 1981, about 20 percent, compared with 14 percent in 1988, as more governments of the community honoured their commitment to remove lingering barriers to free trade. With July 1991 set as the final target date for complete free trade within the community, Caricom's overall trade among community partners in 1989 was, however, still at least U.S. 186 million dollars below that of the peak period in 1981 of approximately U.S. 400 million dollars.

Total intra-Caricom trade in 1989 was still less than half the estimated U.S. 900 million dollars being spent by the community to import food and beverages—a situation which economists and politicians agree is "untenable."

The negative features of 1989 within the community included continuing high levels of unemployment in most of the countries; teenage pregnancies, particularly in the less developed countries; drug-related crimes throughout the region; and the heavy debt burden of U.S. 10 billion dollars.

The debt-ridden economies of Jamaica, Guyana, and Trinidad and Tobago continued to place "severe constraints" on the overall buoyancy of Caricom, according to the community's secretary general, Roderick Rainford. Together, these three countries account for approximately ninety per cent of Caricom's estimated U.S. 10 billion dollars debt, with Guyana now being ranked below Haiti—an observer of the community—as the poorest nation in this hemisphere. The three Caricom nations escaped the ravages of Hurricane Hugo in September. Hugo slashed what was expected to be a record growth rate of approximately 8 to 10 percent in the economies of Caricom's Lesser Developed Countries [LDCs]. But sources at the Caribbean Development Bank [CDB] said these economies could end the year with an overall growth of no less than 5 percent. (The CDB approved U.S. 75.2 million dollars in development aid in 1989—one million more than in 1988.)

Barbados, where there continues to be a debate among ruling and opposition parties about the economic health of the country, is still viewed by regional economists as being one of the "more stable" among the so-called More Developed Countries (MDCs) in Caricom, but "clearly under pressure." Prime Minister Erskine Sandiford has been defending the performance of the economy, which was expected to show real growth of 3.6 percent. Barbados has been seeking some aid from the international community and Guyana, Jamaica and Trinidad and Tobago have approached the International Monetary Fund for help to shore up their economies.

Jamaica, which also devalued the dollar, and Trinidad and Tobago are still locked into IMF-influenced structural adjustment programmes, but are expected to emerge from the problems of 1989 with "modest" growth rates, possibly 2 percent. One leading banker expressed the view that while the economic problems of Trinidad and Tobago may "finally be bottoming out," and Jamaica was "showing signs of likely improvement," in 1990, Guyana's economic crisis "continues to impact rather negatively" on Caricom's efforts for buoyancy.

In terms of political developments, five general elections in member states of the community—Jamaica, Antigua and Barbuda, St. Kitts-Nevis, St. Vincent and The Grenadines and Belize—resulted in two changes of governments. The changes involved the return to power in Jamaica of Michael Manley's People's National Movement with a landslide defeat of Edward Seaga's Jamaica Labour Party in February, and the return of George Price's People's United Party in Belize with a two seat victory over Manuel Esquivel's United Democratic Party in September.

The countries in which campaigns have already begun for new elections in 1990 are Grenada—long before the death on December 19 of Prime Minister Herbert Blaize—and Dominica. Guyana will also be having parliamentary and presidential elections in 1990. They are due by December, but there is speculation in Georgetown that President Desmond Hoyte may call them much earlier. Hoyte may face a boycott by opposition parties in the absence of electoral reforms they have been demanding from the government. The opposition boycotted last November's municipal elections.

In Grenada, following the death of Blaize, the official opposition National Democratic Congress [NDC] informed Governor General Sir Paul Scoon that it would wish new elections to take place not later than next January 31. The NDC said that it was prepared to co-operate until then with the minority government headed by Prime Minister Ben Jones. The NDC holds 6 of the current 14 seats in the 15-member Parliament, the governing National Party (TNP) 5 and the New National Party (NNP) of Dr. Keith Mitchell, once a close colleague of Blaize, 3.

In Dominica, Prime Minister Charles is not expected to call new elections before July. She could wait, constitutionally, until September. Her Dominica Freedom Party won a 2nd term in July 1985 with a 15-6 majority, and political analysts say that it could be returned for a 3rd consecutive term but with a reduced parliamentary majority. Local government elections are also on the

cards in both Jamaica and Trinidad and Tobago during the first half of 1990, and not later than September.

Caribbean countries are also looking forward to an early poll in Panama, where American military action in December ousted strongman Manuel Antonio Noriega and helped set up a new government.

Caricom nations told the U.S. while they were angered by Noriega's cancellation of a poll his supporters were expected to lose, they regretted Washington's action and wanted to see an early election in Panama.

Apart from the 1990 polls in the Caribbean, challenges facing the regional governments include the new European Market; declining aid and trade with the U.S., and the revolutionary political developments in Eastern Europe, which some Caribbean leaders say can cost them American and other aid.

As the countries prepare for these challenges, one of the most significant steps, according to economists of the CDB and the Caricom Secretariat, will be the holding of a Caribbean Economic Conference in Trinidad before the next Caricom summit.

Proposals for the conference, as outlined by Trinidad and Tobago Prime Minister A.N.R. Robinson at the Grenada Summit last July, have the endorsement of all Caricom governments and the support of the regional business and labour sectors.

Antigua and Barbuda

Prime Minister Bird on U.S. Action in Panama

FL2112232189 Bridgetown CANA in English 2209 GMT 21 Dec 89

[Text] St. John's, Antigua, Dec 21, CANA—Antigua and Barbuda's deputy prime minister, Lester Bird, said on Thursday that his government regretted the United States' use of force in panama. But he said the government appreciated the circumstances which persuaded the United States to take such action. U.S. troops staged a strike against Panamanian strongman Manuel Antonio Noriega Wednesday, forcing him into hiding.

Bird said that General Noriega had declared a state of war against the United States and had undermined the process of democracy which is dear to the people and Government of Antigua and Barbuda. He said Antigua and Barbuda hoped that normalcy will be returned as soon as possible so that the people of Panama can enjoy once again political and economic stability.

Bahamas

Government Expresses 'Regret' Over U.S. Invasion

FL2212215989 Bridgetown CANA in English 2113 GMT 22 Dec 89

[Text] Nassau, the Bahamas, Dec 22, CANA— The Government of the Bahamas on Friday expressed "profound regret" over the United States' invasion of Panama, an official statement said. However, the Bahamas Government said it understood the "unprecedented circumstances which precipitated the intervention, all Organisation of American States-sponsored initiatives and other peaceful efforts having failed to resolve the Panamanian crisis."

The statement said the government was mindful of the serious consequences of military action and "is deeply saddened over the wanton loss of the lives of civilians." The statement continued: "the Government of the Bahamas will work with the government of the United States of America and the people of Panama to secure: an end to hostilities in Panama; the withdrawal of all foreign military personnel not essential to the Panama Canal Treaty; the holding of new elections in 1990; and the restoration of Panama's sovereignty, territorial integrity, democracy and prosperity."

Barbados

Government Recognizes Endara Administration

FL2512211089 Bridgetown CANA in English 2038 GMT 25 Dec 89

[Text] Bridgetown, Barbados, Dec 25, CANA—Barbados on Monday announced its recognition of the U.S.—installed government of Guillermo Endara in Panama. A government spokesman quoted Prime Minister Erskine Sandiford as making the announcement after news of the surrender of deposed dictator Manuel Noriega.

Noriega turned himself in to the papal envoy in Panama City on Sunday, five days after an invasion of American troops seeking to arrest him on alleged drug trafficking charges.

Sandiford urged the Endara government to institute a period of reconstruction by restoring civil law and order in Panama, by securing the early withdrawal of U.S. forces, and by setting in motion the processes for early free and fair elections.

Grenada

Prime Minister Jones Outlines Priorities

FL2612181289 Bridgetown CANA in English 1729 GMT 26 Dec 89

[By George Worme]

[Text] St George's, Grenada, Dec 26, CANA— Newly appointed Grenada Prime Minister Ben Jones says that his priority is to get the country going again after the sudden death a week ago of his predecessor Herbert Blaize. "My most immediate concern would be to take proper control of the government and get it going effectively," he told CANA.

He said his next most important concern is to look at the country's financial condition and to take the necessary steps "to make it good." "My third concern would be to make the necessary arrangements for general elections and my next concern would be to win those elections," he said.

Jones has already advised Governor General Sir Paul Scoon on the dissolution of Parliament by Wednesday to allow for elections by the end of March. Scoon appointed Jones, who served as deputy prime minister, to the top post on the same day Blaize died.

Jones announced that he had taken over all Blaize's portfolios and had appointed minister of state in his previous ministry Pauline Andrews as the full minister of agriculture and tourism last Wednesday. He said that in due course consideration would be given toward spreading out some of the other portfolios among the other five ministers. Before his death, Blaize was the minister responsible for finance, trade, energy, information, national security, home affairs, and Carriacou and Petit Martinique affairs.

He spoke of plans to wage a "proper campaign" in order to ensure victory at the polls for his 1-month old National Party (TNP). "I think it is essential that we should win so that we can continue to build the country as we have been doing over the last 5 years," he said.

TNP is an off-shoot of the New National Party (NNP) on whose ticket the present government members campaigned for the 1984 general elections. Another off-shoot of NNP, the National Democratic Congress controls 6 of the 15 parliamentary seats, while TNP has 5, and the NNP the remaining 3. The seat formerly held by Blaize is vacant.

Jones would not predict the number of seats the TNP could win but said that he only wants "to have a majority big enough to allow us to effect any constitutional changes that might be necessary."

The new Grenadian leader repeated his pledge to continue in the remaining few weeks in office with the programmes and policies pursued by Blaize. "I will continue his programmes because I believe they were good," Jones said. "I will do my best to take them to completion and I would try in some way to improve upon them such as might be needed from time to time," he added.

Jones could not give any positive indication as to whether he would present a budget before calling general elections. "I have to hold discussions with my party, cabinet, the ministry of finance to see exactly what is necessary. I shall act in light of what I have found. Until that time, I couldn't tell you yea, nay, this or that," he said.

Blaize's Death Signals End of Colorful Era

FL2212171989 Bridgetown CANA in English 1616 GMT 22 Dec 89

[Text] Port of Spain, Trinidad, Dec 22, CANA— The TRINIDAD GUARDIAN newspaper said on Friday that the death of former Grenada Prime Minister Herbert Blaize signalled the end of a "colourful and exciting era" in West Indian politics.

"In that respect, his departure also provides a sobering reminder of how far our region still has to go to achieve the dream of a generation of stalwart and dedicated post-independence leaders," the paper said. "They have taken us so far: But in a period of dazzling global change, will the forces of history now overwhelm us?" the GUARDIAN asked.

Blaize died on Tuesday. He was 71. The paper said it was somewhat ironical that Blaize, who seemed set by destiny to lead Grenada out of chaos, left the spice isle in a state of political confusion of his own making.

"Mr. Blaize leaves Grenada in a yet unsettled condition since recent events in his own government had given rise to speculation about his right to rule although his new party, The National Party, had only the day before, elected him—unopposed—as political leader," the GUARDIAN said.

"We trust, however, that the leaders and people of Grenada would learn the lesson of their own turbulent history and seek to keep the spice isle on a stable, peaceful and democratic course, the only basis on which their mini state can grow and prosper. Whatever his final difficulties, Herbert Blaize would have wanted nothing else," the paper concluded.

Jamaica

Prime Minister Issues Statement on Panama

FL2212193389 Bridgetown CANA in English 1849 22 Dec 89

[Text] Kingston, Jamaica, Dec 22, CANA— Following is the statement made by Jamaica Prime Minister Michael Manley, on the U.S. invasion of Panama:

"The present crisis in Panama had its immediate origins in the events of May 7, this year, when the counting of votes in the presidential elections was aborted by the acts of the Panamanian Armed Forces. All the independent international observers present have attested that the opposition candidates headed by Dr. Guillermo Endara were leading by wide margins. It therefore appeared certain that they would be successful in the final result. However, as a consequence of the action of the Armed Forces, no final result was or could have been legally declared.

Since that time, the Government of Jamaica has consistently condemned the action of General Noriega in using force to abort a democratic election and has, maintained:

a) There should be no unilateral intervention by external forces.

b) The Panama Canal Treaties should be scrupulously observed.

c) There should be free and fair elections as quickly as possible to enable the Panamanian people to properly elect a government of their choice.

d) The political parties in Panama and the leaders of the Armed Forces should engage in a constructive dialogue and arrive at an agreed procedure for the orderly transfer of power to a democratically chosen government, as rapidly as possible.

Consistently, with these principles we have strongly supported the efforts of the OAS to mediate a just and peaceful resolution of the crisis. We have refused to recognise the legitimacy of the regime headed by Gen Noriega nor to have any dealings with it.

"We believe that this represents the limit to which any state is entitled to go. We therefore cannot possibly support or condone the action of the United States in invading Panama with armed forces and purporting to install a new regime by force in the name of democracy. We do not accept that democracy can ever be established in this way.

The President of the United States telephoned me in the early hours of Wednesday morning to advise me that the invasion was under way and to explain the reasons for the action taken. We have carefully considered these reasons and have consulted with as many regional governments as we have been able to reach. We have also spoken with the leader of the opposition, the Rt. Hon. Edward Seaga and the opposition spokesman on foreign affairs, the Rt. Hon. Hugh Shearer. These discussions have confirmed and supported our own view that none of the reasons so far advanced by the United States in support of their action can possibly justify this grave breach of the most basic principle of international law.

We regard it moreover as a retrograde step in the relations between the United States and the countries of this hemisphere. It is in conflict with the right of individual nations to self-determinatio and dramatically at variance with the world-wide trend towards the renunciation of force as a means of settling international disputes.

"We take note of the fact that a new government has been declared. Before any such government can expect to be accorded legitimacy it must first demonstrate its capacity to maintain law and order without recourse to foreign Armed Forces.

Second, those foreign forces must be withdrawn except those legitimately there under the Panama Canal Treaty. Third, some firm time-table should be set for the constitutional election of a democratic government.

It is our profound hope that these basic conditions can be speedily met so that we can recognise the Endara government and so that the Panamanian people, who enjoy our heart-felt sympathy and support, can once more resume the process of orderly development as a sovereign democratic nation.

Finally, I repeat the assurance given in the statement issued yesterday (Wednesday) by the foreign minister that we are closely monitoring the situation with respect to Jamaican nationals currently stranded in Panama as a result of the closure of the airport. Our consul has advised that they are not in any danger at the present tim and we are in regular and continuing contact with him."

Trinidad and Tobago

No Recognition for Endara Administration

FL2312162189 Bridgetown CANA in English 1510 GMT 23 Dec 89

[Text] Port of Spain, Trinidad, Dec 23, CANA—Trinidad and Tobago does not recognise the current administration in Panama, installed following an American military action in the Central American state, external affairs minister, Dr. Sahadeo Basdeo, has reported. Basdeo, who was a member of an Organisation of American States (OAS) mission to seek fresh elections in Panama, said he hoped the infrastructure for a new poll would be put in place.

"At the present time, Trinidad and Tobago does not recognise the (Guillermo) Endara government," Basdeo told reporters Friday. "He is not the elected representative of the people. Neither was (General Manuel) Noriega." Noriega, now in hiding, maintained a grip on power in Panama after the authorities cancelled a controversial poll it appeared his supporters were losing. "We hope for an end of hostilities and (that) the infrastructure will be put in place for elections to be held," Basdeo said.

Trinidad and Tobago had been part of the OAS team helping Panama towards general elections following the abortion of the 1989 poll. The OAS role had been to seek fresh elections in 1990.

"One of the fundamental tenets of the foreign policy position of the Government of Trinidad and Tobago is non-intervention by states in the internal affairs of other states as well as respect for their sovereignty and territorial integrity," Basdeo explained. Pointing to developments taking place in the Eastern Bloc, where socialist countries are moving to democracy, Basdeo said these changes were not through the "barrel of a gun but by the natural spontaneity of people hungry and eager for change."

"As a member of the OAS negotiating team, I am truly saddened by this regrettable and tragic turn of events in Panama. It is to be hoped, however, that when the hostilites have ended, and stability returns to Panama all parties involved in the tragic events will reflect on the price which the people of Panama have been called upon to pay for that stability," Basdeo remarked.

Basdeo said that Trinidad and Tobago was working through the OAS to try and find out what had happened to Trinidadian citizens in Panama at the time of the military action.

Debt Restructuring Agreements Reached

FL2212000289 Bridgetown CANA in English 2321 GMT 21 Dec 89

[Excerpt] Port of Spain, Trinidad, Dec 21, CANA—Trinidad and Tobago has gained four years' grace on the repayment of its commercial debt but its debt to governments and institutions have been rescheduld only until next February. The government's debt obligation is expected to reach 1,507 million dollars (one tt dollar 23.5 U.S. cents) by year-end. This comprises 926 million dollars in foreign debt and 581 million in local debt.

A ceremony was held in Port of Spain on Wednesday to initial an agreement on the principal owed by Trinidad and Tobago to international and local commercial bank creditors. This agreement, also scheduled to be signed in London and Canada, will allow the country to reschedule its commercial debt for repayment from between 1993 and the year 2001.

Government officials also announced that on Tuesday, a signing had taken place in Port of Spain for an agreement rescheduling the official external debt owed to countries and national credit agencies.

The final official debt agreement, signed with Japan on Tuesday, was the last of eight bilateral agreements organised under a Paris Club arrangement rescheduling the principal of Trinidad and Tobago's official debt until February 1990. Both sets of agreements allow the postponement of payment of the principal of the foreign debt only. Trinidad and Tobago will continue to pay the interest on the debt which had originally been bunched up for repayment between 1989 to 1991 period. Prime Minister A.N.R. Robinson told the Wednesday signing ceremony that the rescheduling had helped to cut the country's short term debt service ratio from an anticipated 35 per cent to 20.3 per cent this year. By 1990, this ratio will be cut from 35 per cent to 25 per cent owing to the rescheduling exercise. [passage omitted]

President on Improving Relations With Japan

PA2312222789 Paris AFP in Spanish 0543 GMT 9 Dec 89

[Text] Cancun, Mexico, 8 Dec (AFP)—Mexican President Carlos Salinas closed the 18th Mexican-Japanese Business Committee meeting here today. During his closing speech, the president said that trade between Mexico and Japan could be larger and "Japanese investments in Mexico could be double what they are today."

After stating that Mexico had reduced its yearly inflation from approximately 2,000 percent to 18 percent—which "was the lowest in the decade"—Salinas stated that both countries had started "a new phase" in their 100 years of relations to "strengthen cooperation and bilateral trade with deeds."

More than a hundred Japanese and Mexican businessmen—among them Tokio Nagayama, vice president of the Japanese Confederation of Economic Organizations (Keidanren)—met at this beach resort to study Mexican industrial and services investment projects for 2 days.

Salinas praised the Japanese Nissan automotive firm for the announcement made this week that it was going to invest $1 billion in a new automotive plant to be located in the central part of the country. Nissan is the country's first car manufacturer as it makes approximately 84,000 vehicles per year.

He said: "We have taken measures to modernize our productive plant to be able to compete in the international market. Our new foreign investment regulations promote a trade opening policy, deregulation, simplification of bureaucratic procedures, and provide more legal security."

At present, Japan ranks fourth among the foreign investors in Mexico with $15 billion, positioned behind the United States, Great Britain, and the FRG.

Furthermore, Japan is Mexico's second debtor country with $15 billion, after the United States. It is also the second biggest commercial partner after the United States and the third biggest petroleum buyer as it purchases 14.10 percent of Mexico's total crude oil exports.

Last September, Japanese Prime Minister Toshiki Kaifu made a 3-day visit to Mexico and met with Salinas to study the posibilities of increasing Japanese participation in the Pacific basin.

PRD Sends Bush Protest Letter on Invasion

FL2412130789 Mexico City NOTIMEX in Spanish 0039 GMT 24 Dec 89

[Text] Mexico, 23 Dec (NOTIMEX)—The Mexican Party of the Democratic Revolution (PRD), today sent a letter to U.S. President George Bush to protest the U.S. invasion of Panama.

In the letter, which is signed by PRD General Coordinator Cuauhtemoc Cardenas, the PRD states that there can be no legal, credible, or reasonable justification for the invasion (of Panama). No foreign government has the right to forcibly subdue a sovereign people, the letter says.

The letter adds: No foreign government has the right to forcibly subdue a sovereign people, let alone militarily invade and occupy another country to impose a puppet government there. In the face of a relentless attack despite worldwide protests, the PRD demands the withdrawal of the U.S. troops whose presence in Panama is a serious violation to both the UN and the OAS Charters.

The letter says that the invasion signifies an unacceptable violation of the fundamental rights of man and of the peoples and overshadows the joy felt worldwide over the downfall of authoritarianism and antidemocracy and over the rebirth of free expression in Central Europe, Chile, and Brazil.

The letter adds that more than the fight against the drug trade, this action constitutes a violation of the Canal treaties, in an attempt to maintain a military and political presence in the area that restricts the sovereignty of an independent nation.

The PRD states that the U.S. President is the only person who has the decisionmaking power to stop the massacre of a helpless people, who cherish their freedoms and who are determined to defend them.

Costa Rica

Residents Warn of Noriega Arsenal, Armed Troops

PA2612192289 Hamburg DPA in Spanish 1838 GMT 26 Dec 89

[Text] San Jose, 26 December (DPA)—Rio Sereno residents have reported that General Manuel Antonio Noriega has a true arsenal on his farm located in Rio Sereno near the border with Costa Rica.

The residents stated that the forces of the new Panamanian Government have not reached that part of the country, because they are afraid of the fighting that is still going on in that region.

It is estimated that approximately 300 armed men are located at the farm. A Costa Rican Government official reported that 3 days ago the men asked for refuge in Costa Rica to then immediately go on to Nicaragua but that the Costa Rican Government did not agree to it.

The residents of the area near the farm are very nervous and afraid of possible confrontations in the area within the next few hours if the new Panamanian authorities decide to go there.

Border With Panama Reopened To Let in Nationals

PA2712004689 Panama City ACAN in Spanish 2245 GMT 26 Dec 89

[Text] San Jose, 26 Dec (ACAN-EFE)—The border with Panama was reopened today to allow 1,400 of the 2,000 Costa Ricans who were stranded in Panamanian territory for 1 week because of the U.S. invasion of Panama to return by land.

Health Deputy Minister Julio Brenes said that the first groups have already crossed the border and that caravans of hundreds of vehicles filled with "tourists" are advancing behind them.

Some of the Costa Ricans are returning in the same buses that took them to Panama in mid-December; others are traveling in their own vehicles; and the rest are coming in rental cars or cars of friends who bring them to the border.

Costa Ricans are accustomed to traveling to Panama during the Christmas season. Most of them do so to purchase items like perfumes and electric appliances, which can be purchased in Panama at low prices.

This year was no exception because "nobody expected" the United States to invade that country to try to capture General Manuel Antonio Noriega to take him to the United States to stand trial for drug trafficking.

The first 125 Costa Ricans were evacuated on 25 December aboard Argentine and U.S. planes.

Today, Tuesday, 250 others traveled aboard commercial flights of Central American airlines, particularly TACA (Salvadoran) and LACSA of Costa Rica.

The authorities said 200 will not be returning in the near future because they have had no problems in Panama.

Government Reduces Panama Border Presence

PA2612145189 Hamburg DPA in Spanish 2104 GMT 25 Dec 89

[Text] According to a government and Police Ministry official, a great number of Civil Guards have been ordered to return from the Costa Rica-Panama border following normalization of the area. Some 50 units belonging to the Civil and Rural Guards remain. The official said that "having extra personnel in the area is no longer justifiable."

Also, the Costa Rican Red Cross has left only 20 volunteers at the border.

The Costa Rican authorities said that "there is excellent coordination with the authorities of the new Panamanian Government, which makes everything easier."

El Salvador

Teachers Leaders Accused of Recruiting Terrorists

PY2712111089 San Salvador EL DIARIO DE HOY in Spanish 26 Dec 89 p 2

[Text] The police have reported that Jorge Morales and Julio Cesar Portillo, leaders of the "ANDES 21 de Junio" teachers' organization, have been accused of recruiting militants from among the national teachers to join the FMNL [Farabundo Marti National Liberation Front].

This accusation is contained in extra judicial statements by members of a cell of the communist "FAL-PCS" [expansion unknown] terrorist group that has been broken up by the police. The accusation was filed with the courts last week.

The "FAL-PCS" defendants are Jose Mauricio Rivera Cruz, alias Damian; Benjamin Figueroa Torrento, alias Raul; Lidia Haydee Chicas, alias Mirian; Edy Marleny Galdamez; Julio Alberto Benavides; Nelson Ricardo Urrutia; and Rene Ricardo Rodriguez, alias Alexander.

According to the police, these individuals were captured thanks to the information supplied by Damian who has a long career within the Communist Party, which he joined in 1978.

Damian says that he was recruited by teacher Jorge Ayala, who gave him forged papers to travel to the Soviet Union where he received training on the organization of cells and acts of violence. Damian said that he also traveled to Nicaragua and Cuba via Mexico where he was met by other criminals who arranged his trips.

In his statements, Damian blames Morales and Portillo. Within the group, Portillo is called "the cynical one" because of the ease with which he distorts the truth when speaking to journalists.

Guatemala

Foreign Minister Explains OAS Vote Abstention

PY2612213289 Guatemala EL GRAFICO in Spanish 24 Dec 89 p 4

[Text] Guatemala, 23 Dec—Guatemalan Foreign Minister Ariel Rivera said yesterday that if Guillermo Endara's administration is recognized as the legitimate government of Panama, Guatemala will immediately recognize it.

The foreign minister reiterated that Guatemala deplores the U.S. Government's military intervention in Panama. He maintained his position that the internal state of law [derecho interno] of countries must be respected, both internationally and nationally.

Rivera said that the Guatemalan position is identical to that established by the Estrada doctrine, in which relations are maintained with peoples rather than governments. Therefore, he said, Guatemala will recognize the Endara government if it is established in Panama.

Rivera reiterated that Guatemala admits that the cause of the problem in Panama is that General Manuel Antonio Noriega ignored the will of the people and the principles of democracy.

Foreign Minister Rivera Irias also said that the OAS resolution was a difficult one.

A proposal sponsored by Nicaragua was first raised, followed by one from Venezuela.

Rivera believed that this resolution did not reflect Guatemala's position, so our country abstained from voting, he said.

The Foreign Ministry, Rivera added, maintained contacts with the Guatemalan mission at the OAS in order to raise a proposal based on nonintervention, respect for political dialogue, and against the use of force.

Rivera said that the proposal raised by the Group of Eight was finally approved. This proposal called for a cessation of hostilities and the withdrawal of U.S. troops from Panamanian territory.

Guatemala abstained, explaining that although it fully agrees with the resolution, it believes that a basic point was missing, namely regarding Noriega's behavior that provoked the conflict in Panama.

Nicaragua

Two FSLN Supporters Reported Killed by Contras

PA2712005089 Panama City ACAN in Spanish 2250 GMT 26 Dec 89

[Text] Managua, 26 Dec (ACAN-EFE)—The Nicaraguan Defense Ministry reported today that two sympathizers of the ruling Sandinist National Liberation Front (FSLN) died in a skirmish with "contra" members in Jinotega Department, which borders on Honduras.

The source explained that the skirmish took place on 20 December at the Santamaria de Loma Azul village and that the FSLN members killed are Felix Pedro and Carmen Centeno Herrera.

In other attacks on towns in the departments of Chontales, in central Nicaragua, and Jinotega, the "contras" kidnapped peasants Martin Mena and Pedro Zeledon, both of whom are 16 years old.

In addition, on 22 December the anti-Sandinists intercepted a small vessel on a river in the southern Atlantic region to steal merchandise and personal belongings, the Defense Ministry said.

On 1 November, the Nicaraguan Government suspended a unilateral truce that had been in effect with the Nicaraguan Resistance ("armed contras") since March 1988.

Editorial on Real Reasons for U.S. Invasion

PA2612193189 Managua BARRICADA in Spanish 26 Dec 89 pp 1, 5

[Editorial: "Panama: The Worst Is Yet To Come"]

[Text] If the true purpose for the Yankee invasion of Panama had been the removal of General Manuel Antonio Noriega from power, as President George Bush said, the invading troops should have immediately left the country as soon as Noriega requested political asylum at the Panama Apostolic Nunciature. However, the 30,000 plus Marines who devastated that brother country leaving behind destruction, thousands of dead and wounded civilians, chaos, and looting, do not have the slightest intention of leaving the country because there were other reasons for their arrival in Panama. Besides, they are already caught up in a critical situation that threatens to take Panama back to the colonial status it had at the turn of the century.

Those who are also responsible for this outrageous situation are Panama's UNO [as published] and the turncoats from the Nicaraguan UNO [National Opposition Union], who have also stained their hands with blood by justifying the massacre of the Panamanian people and the violation of its sovereignty with their shameful, subservient attitude toward the United States.

The invasion has apparently broken up the most solid institution in Panama, the Panama Defense Forces

[FDP], which for 21 years have promoted the process of vindicating Panama's sovereignty and its banner: the return of the canal to its legitimate owners and the dismantling of the U.S. military bases on Panamanian territory. The de facto elimination of the FDP has created a power vacuum with two immediate effects: on the one hand, the United States has dealt a mortal blow to the implementation of the Torrijos-Carter treaties and on the other, U.S. troops have become the only real power in Panama.

That is why there is an irreversible tendency toward a standstill, maybe not because of the effects of the extended resistance, which cost the invaders dearly for 4 days, but because of the simple fact that the Guillermo Endara government is incapable of conducting a neocolonialist administration without the presence of the foreign troops.

The invasion was declared illegitimate by the Latin American and Caribbean governments, which condemned it at the OAS. It was only supported by Washington's followers in Nicaragua, the UNO. The Endara government can only open the road for new types of interventions that are even more humiliating for the Panamanian people. The intervention demands more efficient forms of action and unity by the Latin American peoples to stop the hegemonic intentions of the Bush government in our hemisphere. In this regard, the demands for the immediate departure of the Yankee troops from Panama are necessary in reaching a definite solution to the Panamanian crisis, which is just beginning.

On the other hand, the U.S. propaganda mechanisms have so far been effective in hiding the real U.S.intentions in Panama by focusing all of their attention on Noriega just as they did with Ayatollah Khomeyni and Mu'ammar Al-Qadhdhafi in the past. As soon as the U.S. Congress and public learn of the genocide and economic destruction inflicted on Panama, as well as the long list of violations against that country's sovereignty, with the deployment of troops that can only be compared to the one in Vietnam, the Panamanian issue will become a time bomb for U.S. society.

For the time being, the U.S. Government has been unmasked before the world as the main violator of the process of world detente. Following the invasion of Panama, Latin Americans have learned the lesson that U.S. imperialism, no matter who the U.S. president is, continues to be the main threat against which people must fight to preserve the independence of our nations. The Nicaraguan people have also been reminded that here, in the UNO, there are also traitors like Endara, who would like to come to power in the midst of a bloodbath caused by a Yankee invasion. This danger will be buried with our votes on 25 February.

Aeronica Demands To Get Planes Out of Panama

PA2612164889 Hamburg DPA in Spanish 1547 GMT 26 Dec 89

[Text] Managua, 26 Dec (DPA)—Nicaraguan airline Aeronica is using various channels to demand that the new Panamanian Government and the U.S. forces, which have military control over Panama, to authorize two Aeronica planes at the Omar Torrijos International Airport in Panama City since 19 December, to leave for Managua.

Aeronica Director Julio Rocha, said that he has made efforts before the recently appointed Panamanian authorities to obtain authorization for the departure of a passenger Boeing-707 and an AN-32 cargo plane that have been stranded at the Omar Torrijos International Airport in Panama since the beginning of the U.S. military invasion.

Rocha pointed out that other airlines have taken some flights out of Panama, but that Aeronica is still not allowed to operate its two planes, thus seriously affecting its international flights.

Aeronica has daily flights to Costa Rica and Panama as a result of an agreement signed with airlines from those two countries. The Panamanian airline COPA has two daily flights to Managua, and its schedule has not been affected despite the Nicaraguan Government's decision to respond with reciprocal actions.

Rocha said that because of the lack of a clearly apparent government in Panama, efforts to try to recover the two planes are being made through various channels. Rocha added that for the time being, the Nicaraguan Government "is not applying reciprocal measures against the Panamanian airline COPA."

There are over 150 Nicaraguan citizens in Panama, most of them businessmen, who are waiting to be taken to Nicaragua. The Nicaraguan Government believes that they could return to Managua on the two Aeronica planes.

Also, Francisco Alvaro, spokesman of the Nicaraguan Embassy in Panama, told a Managua radio station that the Nicaraguan Embassy remains surrounded by nine U.S. artillery units and that the embassy does not have any Panamanian political refugees.

* Violence 'Jeopardizes' Elections

90EM0053A Managua LA PRENSA in Spanish 6 Nov 89 p 2

[Editorial: "Neither Mobs Nor Stonings Will Resolve the Crisis"]

[Text] This weekend the UNO [National Opposition Union] continued to prepare for its political campaign, which will begin in earnest this coming 4 December. Two facts were noteworthy during its visit to the towns

of Somotillo and Malpaisillo: the large crowds and the repression by the Sandinist mobs.

Today as yesterday the Sandinists are seeking to thwart the election campaign through terror. The mobs have again undermined the rightful unfolding of the electoral process by showing up especially at intersections, hurling rocks, puncturing vehicle tires, insulting, and intimidating. The Sandinist Police also turned out, in impressive numbers, more to protect its party's mobs than to impose law and order.

Dona Violeta, who is in the midst of her political campaign in the United States and Europe, has been informed in detail of what happened and at this moment must be speaking out against it to the entire world. The international observers stationed in Region II (Chinandega and Leon), where the disgraceful events took place, witnessed them and, we are sure, are going to draft a detailed account of these criminal actions. In a word, the people of Nicaragua are not alone. The whole world is with them in their intrepid struggle to reestablish democracy in our country through civic channels.

Nevertheless, this fact can be of no consolation to us. We know of the grave difficulties that the government is facing, especially in the economy, which by now is a disaster. We know that the government needs to show respect for the democratic process in order to secure international economic support. Why then muddy the waters with such nonsense?

Does Sandinism really believe that stonings or shows of military force can weaken the will of a people that knows that through free elections it can find the path to its salvation? Does Sandinism really believe that these kinds of attacks that violate human rights are going to go unnoticed by the world community? Will President Ortega really have the nerve to appear once again before the world's democratic leaders to ask for economic aid in the wake of these antidemocratic developments?

The government must understand that any harm to the transparency of the electoral process harms the future of Nicaragua. Only free elections, certified as such by the international delegations, can ease our crisis, which is already a tragedy. Now that we have chosen the civic path to find a solution to our problems, let us not backtrack and risk seeing war do away with everything that incompetence has been unable to.

* FSLN Campaign Fuses State, Party

90EM0053B Managua LA PRENSA in Spanish 12 Nov 89 p 2

[Commentary by Agustin Jarquin Anaya: "Only the UNO Can Guarantee a Better Future"]

[Text] In its election campaign the FSLN [Sandinist National Liberation Front] has coined the slogan "tomorrow everything will be better," making it seem as if this were the first time that it would be taking office and as if it bears no responsibility for the major disaster that Nicaragua is faced with after 10 years of FSLN government.

The hungry Nicaraguan people want change; they do want a better tomorrow, but the major political consciousness-raising that they have received during these years has led them to doubt whether that "better tomorrow" will come from an FSLN victory. Quite to the contrary, the people see the National Opposition Union (UNO) and its programs and candidates as the fulfillment of their hope: a change for the better. Three recent events have confirmed the people's judgment of the Front's inability to give Nicaragua something better:

1. The government's shock troops and the official bodies linked to the Labor Ministry recently began a new assault on the Construction Workers Union, SCAAS [Trade Union of Carpenters, Fitters, Masons, and Related Trades], who are affiliated with the CGT [General Confederation of Labor], in order to put them under the official CST [Sandinist Workers Federation].

This new attack confirms that the FSLN still seeks predominance, in spite of its colorful and extremely expensive propaganda, which is being done by Mexicans, and in spite of the statements by some of its candidates to the effect that "everything will be different now; sectarianism, partisanship will be put aside, and the interest of the community will be put first." The facts show, however, that such statements are merely campaign propaganda that is completely devoid of substance, because the attack on the SCAAS has confirmed that the FSLN's agenda still calls for it to be the hub around which all of intermediate society's trade-union associations revolve (associations of professionals, farm producers, boy scouts, the Red Cross, the fire department, etc.). In the hypothetical event that the Front wins in February, this ambition will cause destabilization and mistrust, which will make it impossible for Nicaragua to begin a recovery, regardless of how much external aid it may receive.

The Front has not yet undergone its "internal perestroyka," simply because its members have been unable to build their model, and even though it is no longer possible, they still seem to harbor the hope.

2. The resumption of the war, which contradicts and demolishes its slogan of "we won the peace," reaffirms the militaristic bent of the FSLN Party, which as a consequence will seek to maintain the hegemony of the military over civilian society, the same sort of hegemony that characterized the Somoza dictatorship and these past 10 years of FSLN government. All of this will in no way contribute to a better Nicaragua, because this militaristic bent will, if the Front should win, mean that a large percentage of the national budget will be earmarked for unproductive expenditures, that anxiety will still prevail, and that the rule of law, which is fundamental in moving towards stability and a better situation in Nicaragua, will still not exist.

3. The resumption of official repression and repression by the FSLN mobs during the recent cowardly attacks in Jalapa, Somotillo, Villa Nueva, Pantasma, Niquinohomo, Matagalpa, here in Managua, etc., and the crude advertising campaign have confirmed that the government, fearful of the upsurge that the UNO has been on, has decided to frighten the population into keeping it in power. It is forcibly instilling fear of the FSLN Party in people, thus confirming that it still lacks a devotion to civilian rule and a genuine readiness for a democratic opening and a true reconciliation.

Now that these developments have confirmed the people's suspicions, the alternative for change that the UNO represents is gaining greater support. We can indeed trust that the UNO will seek a national reconciliation because the essence of its unity is the harmonious coexistence, within its ranks, of groups with very different ideologies, while among its political leaders in general there prevails the idea that the interest of the homeland comes before the interests of individuals and political parties.

This unified effort that the people are putting forth with the UNO is the guarantee of change. Therefore, in spite of the FSLN's costly propaganda, the people are not fooled and will continue along this civic route while bolstering their ranks and their hopes for change towards the better tomorrow that the UNO is offering.

* Labor Union Supports UNO

90EM0053C Managua LA PRENSA in Spanish 13 Nov 89 p 2

[Commentary by Clemente Francisco Guido: "The Alphabet of Fanaticism"]

[Text] The FSLN [Sandinist National Liberation Front] State-Party once again embraced publicly in Republica de Nicaragua Square when Education Minister Fernando Cardenal and young Ortega campaign leaders Ajax Delgado and Moises Lopez headed up a ceremony there that ultimately could not be distinguished as either for the ministry or the party, though it really makes no difference in our country.

Cardenal administered the oath of office to a representative group of future literacy teachers who as of December of this year will begin the beautiful task of teaching people how to read and write. Unfortunately, however, their work is marked from the outset by the partisan Ortega politics that the Education Ministry's intellectuals have stamped on it.

For their part, in the same place as Cardenal and as part of the same ceremony, young Delgado and Lopez officiated at a graduation of Sandinist Front activists from the so-called "Explorers Movement" to Sandinist Youth.

Just a few meters from where the State was once again "wedding" the ruling party, the tomb of Carlos Amador Fonseca was being "visited" by children in school dress whom their teachers took out of their classrooms so that they could pay homage to the founder of the Sandinist Front. Nothing unusual, in fact a common Ortega practice during his 10 years in power.

We can state the following about this event, which was neither novel nor newsworthy:

1. The National State and the ruling party (FSLN) remain one and the same thing. The election campaign of the National Opposition Union (UNO) has to face an adversary that is using government resources as its own exclusive private property.

2. Accordingly, the literacy drive will be just another extension of the Sandinist Front's election campaign. It is no accident that it is starting in December and seeks to rapidly instruct those who do not know how to read or write. In the end the illiterates will probably not be able to write their own names but will know how to put down Daniel Ortega's.

3. The so-called "Explorers" Movement is undoubtedly a breeding ground for the Sandinist Front. Its attempt to displace the Scout Movement in Nicaragua has failed precisely because of its partisan character, whereas the others remain active throughout the country in spite of their poverty.

The UNO must take a firm stand on these facts, which have been confirmed once again. Although we will not be able to undo in a single stroke all of these cultural aberrations in our country, we at least have a duty to speak out against them at the top of our voice and, once we have won the 1990 elections, to prepare to alter these realities of today. It is up to the people to vote for UNO in box one.

* Cuenca on FSLN Export Policy

90EM0053D Managua BARRICADA in Spanish 19 Nov 89 p 8

[Text] Nicaragua's exports were up 35.5 percent during the first 9 months of the year, announced Planning and Budget Minister Alejandro Martinez Cuenca in giving a rundown of the national economy's performance.

Martinez Cuenca regarded the increase as a direct result of the economic-adjustment plan, whose priority was to reduce inflation and boost exports.

Nontraditional exports were up the most from January to September of this year, totaling $58.7 million. Last year $18.9 million worth were exported during the same period.

Traditional exports rose from $169.6 million to $196.5 million during the same time frame.

Martinez Cuenca also highlighted the narrowing of the trade deficit, which stood at $159 million between January and September, down 74 percent from last year.

He also asserted that a decline of just 3 percent is expected in the Gross Domestic Product, compared to a drop of between 8 and 10 percent last year, as the pace at which production is falling has been slowed.

Volume and Price

The planning and budget minister said that the increase in exports was due not just to higher prices on the world market but also and mainly to the higher volumes of some principal export items.

Among the traditional ones he mentioned sugar, sales of which rose from $5.4 million to more than $17 million, a jump of 217 percent.

Meat was another product that posted a significant increase, rising from $9 million to more than $22 million. Gold also substantially enlarged its contribution to the national economy, as $15.2 million worth was exported, compared to $6.2 million between January and September of last year.

In the case of nontraditional exports the contribution of industry stands out, as it exported $41.4 million worth of goods during the period in question. During the first 9 months of last year the sector's exports did not exceed $14.5 million.

The nontraditional exports of the farm sector also posted a significant gain, from $4.2 to $9.2 million.

Confidence

Martinez Cuenca underscored the confidence that the various producers have expressed in the adjustment program, which has thus been working well.

He noted that the 10.2 percent inflation rate in October, despite the slight rise from September, represents an important slowing of inflation compared to last year.

He stressed that the objective of the adjustment program during this stage is to contain and slow inflation, not eliminate it.

In this regard, he said that the complaints about inflation are justified, underscoring, however, that the situation would be much worse if the adjustment program had not been implemented.

Inflation this year will be between 1,200 and 1,500 percent, which in his words is "very high." It can be regarded as an "extraordinary" result, however, if we consider that last year it totaled 34,000 percent.

He pointed out that currency is not being printed for government expenditures, with the exception of farm- and basic-grains-loans and, in this regard, he called on producers to behave responsibly in meeting their commitments to the bank.

"Each cordoba that is not paid back is a cordoba that is taken away from the worker in recovering his wage," he asserted.

The minister underscored the workers' confidence in the government's economic program, which it has thus been able to carry out with the necessary social stability.

"The worst is over," Martinez Cuenca asserted emphatically.

It would be mistaken, he said, to be guided by rumor and speculation, which could cause the program to get out of control.

Wages

As another result of the economic-adjustment program, real wages have begun to rebound, Martinez Cuenca explained.

Wages are not in good shape, he said, but there has been a significant slowing of the pace at which they are declining, and they have even recovered. He compared the current situation to the one in December 1988, when real wages hit their lowest level in recent years.

He stressed that we must be careful in addressing the problem of restoring buying power so that it does not turn into a factor of economic and social destabilization that undoes the progress that has been made.

Whereas in December 1988 real wages stood at 100, in September of this year they were at 186, Martinez Cuenca reported. The recovery of wages during the first half of the year benefited mainly the budgeted sector. The trend was reversed as of July, and now the production sectors (industry and farming) are benefiting the most.

Complaint

Martinez Cuenca voiced his concern over the existence of an international campaign to bad-mouth Nicaraguan products, a campaign that is not unrelated to U.S. policy.

He mentioned that on that very day the Canadian press was publishing articles calling for Nicaraguan meat to be kept off the country's market.

Canada became the main market for Nicaraguan meat after the United States declared a trade embargo on 1 May 1985.

Canadian producers accused Nicaragua of selling their product below cost (dumping), which Martinez Cuenca categorically denied.

Some Canadian producers even called on their country to disavow the international treaties that it has signed and to ban meat imports from Nicaragua.

A Canadian delegation of meat importers who are interested in expanding trade with Nicaragua recently visited the country.

Panama

Noriega Reportedly Still at Nunciature

PY2712103689 Madrid EFE in Spanish 0520 GMT 27 Dec 89

[Text] Panama City, 26 Dec (EFE)—Reliable sources have reported that the people who left the Apostolic Nunciature in Panama City tonight, less than 10 of them, are all civilians, and General Manuel Antonio Noriega and approximately 20 military officers are still inside.

The sources added that the only civilian still at the Vatican Embassy is Belgica de Castillo, the Migration Director during the government of Noriega—who was overthrown a week ago by the U.S. invasion.

Those who left the Nunciature are Jaime Simons, the former manager of the (state) savings bank, his wife, and two children.

EFE correspondents observed the departure of several people from the Nunciature at approximately 2000 local time (0100 GMT on Wednesday). They left aboard a white van which had been parked for 1 hour in front of a school opposite the Nunciature.

A U.S. military helicopter landed on the school's soccer field. The white van approached the helicopter, which took off shortly afterward for Fort Clayton, one of the U.S. bases on the banks of the canal.

The U.S. forces around the nunciature have been there since last Sunday when Gen. Noriega sought refuge there.

Several sources have reported that no agreement has yet been reached between the Holy See and Washington on the future of the ousted Panamanian general.

Noriega's Status Under Discussion

PA2612201189 Panama City ACAN in Spanish 1747 GMT 26 Dec 89

[By Andreu Claret]

[Text] Panama City, 26 Dec (ACAN-EFE)—Sources close to the negotiations have revealed that General Manuel Antonio Noriega, who has sought refuge in the Apostolic Nunciature in this capital, might be turned over to the United States if an agreement is reached with the Vatican concerning certain conditions.

A diplomat who is close to the negotiations said that the Vatican is "seeking a solution that will ensure a dignified surrender" that would not be humiliating for the former head of the Panama Defense Forces, in the event asylum in a third country cannot be arranged.

According to the source, the Vatican rejects an "easy turnover," and the diplomats from the Holy See "are measuring each step with the utmost care," because of concern over the desire for revenge that permeates large sectors of the U.S. and Panamanian people.

The U.S. Embassy to the Vatican admitted today that the U.S. Government is discussing the general's future "with ranking officials of the Holy See."

According to sources at the Vatican, Thomas P. Melady, the U.S. Ambassador to the Holy See, met yesterday with the Vatican's Secretary of State, Cardinal Agostino Casaroli.

Initially, Vatican spokesman Joaquin Navarro Valls had said that Noriega would not be turned over, "because the United States and the Holy See do not have an extradition treaty, among other reasons." Other diplomats, however, said that the pope is trying to make this position, which is based "on principle," compatible with Washington's military and diplomatic pressure in favor of extradition.

The nunciature is surrounded by hundreds of U.S. soldiers and armored vehicles, preventing free circulation. The soldiers search every vehicle, including those of the newly-appointed Cabinet ministers, to make sure that Noriega does not get away.

The apostolic nuncio in Panama, Spanish Archbishop Sebastian Laboa, said that he had admitted Noriega into the embassy "for the good of the country," but clarified that Noriega has not been granted political asylum.

Nevertheless, many diplomats believe that Noriega's hopes are centered on the Vatican's "tradition" of granting asylum, as demonstrated by its refusal to allow General Augusto Pinochet to violate its embassy in Santiago, Chile, shortly after the 1973 coup d'etat.

A priest who is close to the nunciature pointed out that one solution might be to "convince him (Noriega) to turn himself in, under certain conditions."

The priest referred to the case of Lieutenant Colonel Luis Del Cid, who turned himself in to the U.S. Forces even though he was fully aware that he would be sent to Miami to be tried for drug trafficking, as in fact did occur.

Del Cid is one of five Panamanians, Noriega included, indicted by a Miami grand jury in 1988 on several crimes of drug trafficking and money "laundering." Panama does not have an extradition treaty with the United States, but since Del Cid turned himself over to the U.S. Army, DEA [Drug Enforcement Administration] agents were able to handle his custody and fly him immediately to Miami.

Del Cid's "voluntary" surrender could serve as a guideline toward solving Noriega's situation, according to some observers who point to the possibility that the United States will accept some concession regarding the trial.

General Noriega's lawyers in Miami are in contact with the nunciature to explore that possibility. Laboa told ACAN-EFE yesterday that the nunciature "has not granted political asylum to Noriega," and that he is there "not just for humanitarian reasons, but also to keep things from getting worse in Panama." The apostolic nuncio has had many talks over the past few hours with General Maxwell Thurman, U.S. Southern Command chief, and with new President Guillermo Endara. He has also been in permanent contact with the Vatican. All diplomats questioned on the matter have ruled out the possibility that Noriega could leave Panama for a third country as an exiled person.

A Holy See diplomat added "this is no longer the opportune moment" to grant asylum to the general in Spain, recalling that the possibility was discussed months ago when the crisis began, since now the Felipe Gonzalez government flatly rejects it.

Spanish Foreign Minister Francisco Fernandez Ordonez said yesterday Noriega is "solely a matter" between the United States and the Holy See. "Spain is absolutely not involved in the negotiation," Spanish Ambassador to Panama Tomas Lozano told ACAN-EFE.

Had Noreiga asked for political asylum in Cuba, "it would have been granted without hesitation," Cuban Vice Foreign Minister Ricardo Alarcon noted. "Who can imagine Noriega leaving Panama for Cuba, escorted by U.S. soldiers who invaded that country precisely to capture him?" asked the charge d'affairs of a Latin American embassy.

At the nunciature, a source close to Laboa said that "all venues are sought" to try to resolve the situation created by the general's presence at the embassy. The source, who left the nunciature today after remaining there since Noriega's arrival on 24 December, added that "the negotiations are at the highest level," referring to Pope John Paul II and U.S. President Bush.

Citizens Petition Nuncio for Noriega Trial

PA2712021489 Panama City Circuito RPC Television in Spanish 2349 GMT 26 Dec 89

[Text] Dozens of Panamanians who have been victims of former dictator Manuel Antonio Noriega's actions today signed a petition to Apostolic Nuncio Jose Sebastian Laboa expressing their hope for justice. Dozens of people gathered today, as they have done on previous days, around the roadblocks set up by U.S. troops near the Apostolic Nunciature, where Manuel Antonio Noriega and 32 of his closest collaborators have sought shelter. Helicopters and reconnaissance aircraft flew overhead to prevent any unexpected actions. Only military vehicles and previously identified residents of the area were allowed to pass.

The people demanded justice for the former dictator's victims and then decided to prepare and send a message to Nuncio Jose Sebastian Laboa, asking him to transmit to Pope John Paul II the Panamanian people's clamor for justice and to turn Noriega over so he may be tried. Juan Fong, a Panamanian citizen, read the document:

[Begin Fong recording] His Excellency Jose Sebastian Laboa, Apostolic Nuncio of Panama.

Dear and beloved Apostolic Nuncio: The Panamanians who sign this letter wish to tell you and the Holy See that we are not moved by rancor but only by the desire for justice. Manuel Antonio Noriega is a criminal who has brought sorrow, mourning, and pain to many human beings, and he has stolen, killed, and tortured people.

Noriega has committed crimes, and he must answer for his crimes in court, so it is necessary that you turn him over to justice. Leaving him free to go to another country or granting him diplomatic asylum or protection would be to disavow the principles of justice and liberty for which the Panamanian people have been fighting in recent years.

We ask you to deliver Noriega, the criminal, to the authorities so he may be tried for the multiple crimes perpetrated against the people, the homeland, and the international community. If he is turned over to another country, where he may freely act and maneuver, it would be dangerous for Panamanians because his desire for power would lead him to seize our country again.

Respectfully yours, the Panamanian people [end recording]

Liberal Party Decries Noriega's Refuge

PA2712014089 Panama City Circuito RPC Television in Spanish 2312 GMT 26 Dec 89

[Text] In a statement, the Liberal Party, headed by Roderick Esquivel, has decried the situation in which Apostolic Nuncio Jose Sebastian Laboa has put the Catholic Church in Panama, which represents the majority of the Panamanian people, by granting refuge to Manuel Antonio Noriega, a common criminal. Granting political asylum to a man who not only has violated the country's Constitution and laws, but has also perpetrated common crimes that include murder, kidnapping, drug trafficking, money laundering, unjustified detentions, ostracism, and stealing money from the public treasury, does not fit the requirements that make a man eligible for the traditional right of asylum, the statement said.

The statement concluded: As Panamanians, we are willing to forgive political crimes on behalf of national reconciliation and reconstruction. But we will never condone the protection and impunity of murderers responsible for both the poverty of the thousands of jobless and the harm caused by drugs. This would encourage crime and goes against human nature.

The statement is signed by Roderick Esquivel, Liberal Party president.

TV Says Holy See Should Allow Noriega Trial

PA2712012589 Panama City Circuito RPC Television in Spanish 2343 GMT 26 Dec 89

[Station commentary]

[Text] Citizen Manuel Antonio Noriega is still at the Apostolic Nunciature in Panama City, and the uncertainty about his final destination is growing. This uncertainty has also heightened unrest in the Panamanian community, which has suffered so much under the terrible dictatorship of the one who is now under the Catholic Church's protection.

We understand that, according to the norms of international law, the Holy See offers its shelter for two basic reasons: First, it is the sanctuary offered by the Church to those who are persecuted for their religious convictions. Second, it is out of compassion—a virtue that always accompanies all the Roman Catholic Church's actions.

We think that this great Christian compassion represents the only justification possible for Noriega to now be under the protection of the Church that he persecuted so much. However, we ask: Would it also be lack of compassion if the Church allowed Noriega to face his judges? We do not think so, and we clearly state it here. The judges are precisely the persons appointed to prevent the citizens from taking justice into their own hands, and mankind knows no better system to ascertain whether an individual is guilty or innocent of breaking the law—and if he deserves punishment or not.

Noriega would be fortunate if he were tried by real justice—in which he never believed and which he cruelly denied many of those who opposed him. Thus, the church would be carrying out a real act of compassion by allowing Noriega to be tried according to an appropriate legal process within a true system of justice. No other solution is compatible with the sacred principle of Christian compassion. It would not be an act of compassion to let irate citizens carry out an act of vengeance that would deepen even more the indelible scar that recent events have left on our country. Allowing Noriega to travel calmly to another country without facing his judges would certainly not be an act of compassion for all those Panamanians to whom the former dictator must answer for so many crimes.

If the Apostolic Nunciature were to serve as an instrument for Noriega to go unpunished for the many common crimes he is charged with, it would be an act, not of lack of compassion, but of open cruelty toward all the Panamanians, most of whom are members of that church.

Spadafora Relatives Request No Asylum for Noriega

FL2612222389 Mexico City NOTIMEX in Spanish 1945 GMT 26 Dec 89

[Text] San Jose, 26 Dec (NOTIMEX)—Relatives of Panamanian guerrilla leader Hugo Spadafora have asked the Vatican not to grant political asylum to General Manuel Antonio Noriega, former chief of the Panama Defense Forces.

The relatives of Spadafora asserted that they have evidence that shows that Noriega was the intellectual author of the guerrilla leader's assassination. Spadafora was decapitated in September of 1985.

In a letter sent to the Holy See, the relatives of Spadafora said Pope John Paul II cannot ignore the forceful charges made by the Inter-American Human Rights Commission against Gen. Noriega.

Spadafora was part of the Simon Bolivar internationalist brigade that fought in Nicaragua supporting the Sandinist National Liberation Front to overthrow the Anastasio Somoza dictatorship.

Nuncio Laboa Reportedly Praised Noriega in Book

PA2612233689 Hamburg DPA in Spanish 2238 GMT 26 Dec 89

[Text] Panama City, 26 Dec (DPA)—According to Juan Barrera Salamanca, news coordinator of Radio Mia, master station of a radio network that supports Guillermo Endara's government, Apostolic Nuncio Sebastian Laboa wrote the prologue to a book about General Manuel Antonio Noriega 5 years ago in which he praised the now deposed Panamanian strongman.

Barrera's statements were confirmed by Pastoral Vicar Fernando Guardia Jaen, who said he was sure the nuncio "would never do that again."

Radio Mia's news coordinator also urged the pope's representative in Panama to clarify whether or not he is making his telephone and telefax facilities available to Noriega, who took refuge at the apostolic nunciature on 24 December.

Barrera claimed that he has reports indicating that Noriega is communicating abroad from the Vatican's mission.

In addition, Vicar Guardia reported that Panama Archbishop Marcos McGrath has received a letter with thousands of signatures asking the papal nuncio not to grant political asylum to Gen. Noriega.

Arias Calderon Sends Christmas Message to People

PA2512232389 Panama City Televisora Nacional in Spanish 2152 GMT 25 Dec 89

[Message to the nation by Vice President Ricardo Arias Calderon—live or recorded]

[Text] Panamanians, all friends: On this Christmas Day, I wish to share my most intimate feelings with you. Never have I understood the deep meaning of the birth of the Christ child as I have on this Christmas. For centuries, the people of Israel waited for a glorious, powerful Messiah, and when the messiah arrived, when the savior God arrived, he arrived in a way that no one expected: as the child of a woman of the people, the adopted child of a worker, who was born in the night, in poverty, unknown to all. This is the great mystery of salvation.

Something similar has happened to us Panamanians. For years, we have awaited the day of freedom, justice, and democracy. We expected to greet that day with jubilation, ceremony, festivities, and happiness for all, and instead it has come in an unexpected way. It has come in suffering, in pain, with anguish.

However, just as the birth of the messiah in poverty and humility actually highlighted the deep meaning of hope through the simplest and most basic human things, so also is the meaning of the freedom, justice, and democracy that we have achieved much more profound because it comes to us through this incredible trauma that we have been experiencing. Nevertheless, hope is being reborn. It is growing. It is opening our horizons, and it is telling us that, despite everything, the day of freedom, justice, and democracy has indeed come, and that we will be able to achieve reconciliation and live in peace.

On this day that is so unforgettable for all Panamanians, I am thinking especially of all those whose relatives have been killed, and I extend a very special embrace to them. Their pain is my pain, and I would like to embrace them and tell them simply: Brothers, I am so sorry. I also think about those who have lost their homes, especially the people of Chorrillo, whom I visited at their refugee camp. Instead of complaining about having lost everything, they approached me in throngs to say: At last, we are free. They understood the meaning of Christmas in Panama today.

I would also like to say—in a special manner, even though what I am about to say will be surprising—that I thought particularly about those who have been our adversaries, who have caused us so much suffering. Today, I think of them and what they are suffering, and I hope that they will be able to rise above this situation, and become integrated into a Panama that is fraternal for everyone.

Finally, over and beyond those who have lost relatives, and the refugees and the adversaries who are now suffering, I think of each Panamanian man and woman, and say to their hearts on this Christmas Day that a great hope has been born in the most unexpected, and to some extent most painful circumstances. But, we can now make that hope a reality, all together with the aid of the God who is born today, and of his mother, who gave him life. Thank you very much.

Ford Sends Message to People at Christmas

PA2512235689 Panama City Televisora Nacional in Spanish 2158 GMT 25 Dec 89

[Message to the nation by Second Vice President Guillermo Ford—live or recorded]

[Text] Panamanian brothers and sisters: Today, 25 December 1989, we Catholics worldwide celebrate Christmas, the birth of God, the king of kings, father of the universe, and spiritual guide of all human beings who believe in him.

I wish to send you a message of peace, because this time of Christmas is just that: a time of peace.

In these times of such difficulty for the fatherland, we are working for the benefit of democracy, justice, and freedom. We are working to achieve love among Panamanians, and as I said so often during our political campaign, for us to be wrapped in a single banner of harmony, peace, and love.

I send you a deep message from my soul to all Panamanian brothers and sisters, imploring God to enlighten our most excellent president of the Republic, the first vice president, and myself, a humble public servant, so together we may reconstruct this country that we love so dearly. We could not allow the claws of a sick person to wrest from us the peace that we so desire. May God bless you. May there be understanding and support, and together we will rebuild the country. Thank you very much.

Former FDP Officers Slated for Investigation

PA2612191589 Panama City ACAN in Spanish 1752 GMT 26 Dec 89

[Text] Panama City, 26 Dec (ACAN - EFE)—Vice President Ricardo Arias Calderon announced that the Panamanian Government will investigate all members of the previous Panama Defense Forces [FDP] who are now forming the new Public Force, so as to identify the "accomplices of the crimes" committed by General Manuel Antonio Noriega.

"There are military men who have been exiled, mistreated, and tortured by the dictator. Noriega has committed the biggest crimes in this country and in other Latin American countries and he has committed crimes against humanity; someone has to impart justice," Arias Calderon told the press.

The vice president and also government and justice minister said this when he was asked about the danger in

accepting the police services of former members of the FDP, which was led by Noriega.

"There are officers who followed the orders of the institution as an institution, but there are others who were accomplices in Noriega's crimes," Arias Calderon said when he stressed that the new government is one of "national reconstruction and reconciliation."

Arias Calderon reiterated that "all, absolutely all the defense forces recognize the authority of President Guillermo Endara."

To establish "strict respect for human rights," the new government has placed the Public Force under the direct orders of the Government Ministry, unlike the previous regime, which was under the FDP.

Canal Official Manfredo Discusses Canal, Nation

PA2712025889 Panama City Circuito RPC Television in Spanish 2315 GMT 26 Dec 89

[Text] Deputy Panama Canal Administrator Fernando Manfredo today said the Canal will be fully operational in about 2 weeks.

[Begin recording] [Manfredo] Because of the current situation, approximately 150 ships are waiting in line—both ways—to transit the canal. This is the largest number in the 10 years I have been with the Panama Canal Commission. This delay is due primarily to security reasons. We have restricted daytime transit. In addition, workers have experienced difficulty in getting to work because of roadblocks and other causes. Others wanted to remain at home to protect their families or were on duty with their community defense committees. We are already taking the necessary steps to work around the clock. In the beginning, it will be difficult to have the necessary number of personnel. But I know my fellow canal workers well, and I am familiar with the pride of Panamanian workers, all workers. This pride is what moves them to sacrifice themselves to go to work. If we can restore work to near normal levels, we could handle an acceptable number of ships.

[Reporter] The situation is difficult for all Panamanians. How do you think we will be able to get out of this in the short term?

[Manfredo] I am happy over the government that has been formed by three excellent people. I congratulate the entire cabinet. I am aware of their personal sacrifice. They have left their businesses, offices, and comfort and embarked on a gigantic task. I am sure the ministers will outline short, medium, and long-term plans so we can gradually overcome this crisis. Now, before all of us forget about what happened, we should draw lessons from all of this. We should ask ourselves a few questions. What happened in Panama? Why was democracy was lost in this country? Why was respect for human rights lost? Why has our economy deteriorated? What happened in Panama? We should make this analysis very calmly and objectively to try to determine the true causes of this situation. I do not think we should attribute it to one or two people. We will discover many things in this analysis. Based on what we learn from this examination, we will determine what we must not permit to happen again in this country, what we must not allow to prevent this situation from repeating itself. We Panamanians should ask ourselves how we contributed to this deterioration, either by commission or an act of omission. Only thus will we be able to make a commitment to be intransigent in the future with anything that diminishes human rights, freedom, and democracy in this country. Then we will be able to stand firm to defend it so this situation will never again occur in Panama. [end recording]

Cabinet Holds First Meeting With Endara

PA2612231089 Panama City ACAN in Spanish 2212 GMT 26 Dec 89

[Text] Panama City, 26 Dec (ACAN-EFE)—The new government headed by Guillermo Endara held its first cabinet council meeting today to analyze priorities and economic matters, a local television station reported.

The source, which did not provide many details on the two subjects, said the new government—each governor has issued a permit—has authorized the normal operation of the public offices in eight of the nine provinces of the Panamanian territory.

The names of all of the cabinet members have not yet been disclosed for security reasons. These, however, are the names of the ministers who attended the first meeting with the President:
Government and Justice, Ricardo Arias Calderon;
Planning, Guillermo Ford;
Foreign Relations, Julio Linares;
Presidency, Julio Harris;
Health, Jorge Castilleros;
Education, Ana de Gordon;
Public Works, Rene Orillac;
Housing, Raul Figueroa;
Labor, Jorge Ruben Rosas;
Agricultural Development, Ezequiel Rodriguez;
Finance, Mario Galindo.

New Appointments, Banking Measures Reported

PA2712030689 Panama City Telemetro Television in Spanish 2355 GMT 26 Dec 89

[Text] Today Dr. Guillermo Cochez was appointed mayor of the capital district by the constitutional president, Dr. Guillermo Endara Galimany. It was also revealed that a well-known banker, Luis H. Moreno, has been appointed manager of the National Bank of Panama, which will operate normally on 28 December. Mr. Ernesto Boyd has been appointed executive director of the Banking Commission of Panama.

Meanwhile, formulas are being sought so banks may begin operating normally on 28 December, and it is considered that all checks post-dated up to 29 December will be cashed in full. The information also indicates that there will no longer be the usual deductions from the government employees' checks. Adequate mechanisms are being sought concerning retired government employees' pensions to guarantee payment. We have also learned that no additional banking restrictions will be added to the ones now in force.

Public Employees Told To Resume Work 27 Dec

PA2712003289 Hamburg DPA in Spanish 2131 GMT 26 Dec 89

[Text] Panama City, 26 Dec (DPA)—Ricardo Arias Calderon, vice president and minister of the government, announced today that all public offices in the capital will resume work tomorrow. The public, however, will not yet be attended to.

Arias Calderon said that officials should report for work on internal organization tasks consistent with the safety situation in the areas where the state institutions are located.

He also announced that Televisora Nacional, whose president is Carlos Duque, ex-partner of ex-general Manuel Antonio Noriega, and Panavision Television, managed by members of the Amado family, sentimentally linked to the Panamanian ex-military leader, are under the control of and watched over by the new national government.

Arias Calderon said that these corporations are in this status "because of the irregularities connected with them."

New Ambassador to U.S. Interviewed

PA2312182689 San Jose Radio Impacto in Spanish 1513 GMT 23 Dec 89

[Telephone interview with Ambassador to the United States Carlos Rodriguez by an unidentified reporter; date and place not given—live or recorded]

[Text] [Rodriguez] Panamanian people, I want you to know that Panama has recovered its democracy. I ask you to support the government of Guillermo Endara, who is the genuine representative of democracy in our dear homeland. We will struggle here in Washington to recover the Panamanian goods that were frozen because of the ill-fated government of Manuel Antonio Noriega.

Panama's future will be one thousand times better than the fatal past. I ask you to maintain your spirit of struggle and to cooperate with Guillermo Endara's government. Thank you very much.

[Reporter] Mr. Rodriguez, the U.S. decisions to lift the economic embargo against Panama and to reopen the Panama Canal are two important demonstrations that the United States is acting honestly. This means that the United States will also act honestly when the time comes to turn the canal back to Panama. I would like to know what you think?

[Rodriguez] We have no doubts that the U.S. Government will respect the letter of the Canal Treaties. Panama will recover its canal in accordance with what the treaties establish.

[Reporter] Mr. Rodriguez, could you give us some details about your appointment. How did you receive Panamanian constitutional President Guillermo Endara's message? Give us details about the appointment and tell us the indications President Endara gave you.

[Rodriguez] Vice President Guillermo Ford called me on behalf of President Endara to ask me to accept this post. After reflecting upon the offer, I realized I had no other choice but to serve the homeland at this time of crisis. I thank President Endara for the trust he has in me. I hope I can correspond in the same way.

[Reporter] You have a great responsibility and struggle ahead of you. You will have a tireless job. How will you start reconstructing Panama, Mr. Ambassador?

[Rodriguez] The opposition forces have an economic plan for the reconstruction of our homeland. That plan includes the reopening of the banking system in a legitimate manner. It includes the creation of jobs and the construction of new houses for our people. Generally speaking, we will try to put our economy to work. Our economy has been completely destroyed by Gen. Noriega's forces.

[Reporter] Mr. Rodriguez, perhaps you have nothing to do with this, but it is very likely that thanks to your future and present work, we will soon have good news regarding the reopening of the media, newspapers, radio stations, and television stations at the service of the people and democracy in Panama. What could you do within the next few days regarding this matter?

[Rodriguez] I will hold talks with the U.S. Government to ask for all the necessary aid to effectively reopen all the media and to do so in a democratic way for the good of all Panamanians.

[Reporter] One last question, Mr. Ambassador. What do you think about the elimination or reduction of what would be the next or future Panamanian army? Some say the army should be eliminated and others say there should only be a special security force. What do you think, Mr. Ambassador?

[Rodriguez] Every country needs a public force. Costa Rica itself has its own public force. Costa Rica is famous for its security force. I am not in Panama now and I do not think it would be wise to comment on that any further. Those are decisions that President Endara and his two vice presidents will have to make.

[Reporter] Have you met with President George Bush or with other presidents and ambassadors already? What have they told you about the Panamanian situation?

[Rodriguez] I have not met with anybody yet. I will arrive in Washington tomorrow morning. I hope to get in touch with the highest level U.S. authorities and with the ambassadors of some other countries, which I am sure will recognize President Endara's government as soon as possible.

[Reporter] This is the last question. What is your message for all those who are still stupidly resisting in Panama? There are still people resisting, Mr. Ambassador. What can you tell them?

[Rodriguez] I ask those people to remember that President Endara and his two vice presidents won the 7 May elections by a margin of three to one. They are the genuine representatives of the Panamanian people. Thus, it would be illogical for them not to recognize President Endara's government. I, however, trust that they will do so soon.

[Reporter] Thank you very much, Mr. Panamanian Ambassador to the United States Carlos Rodriguez.

New Ambassador to OAS Interviewed

PA2312190289 San Jose Radio Impacto in Spanish 1456 GMT 23 Dec 89

[Interview with Ambassador to the OAS Lawrence Chewning Fabrega by Adolfo Ruiz in Washington; date not given—recorded]

[Text] [Ruiz] Mr. Ambassador, what is going to be your position, your attitude to Panama's new challenges and roads that are opening up? We would like the people in Panama to hear, through Radio Impacto, the new constitutional ambassador to the OAS, who was designated by the government that was elected by the people. Go ahead.

[Chewning] Good evening, Panamanian people. I am very proud to have been chosen by President Endara to represent the new Panamanian Government—the constitutional and democratic government that was chosen by the people in the May elections.

My first task at the OAS, and one on which I am already working, is to get all the Latin American countries and the countries accredited at the OAS to accept the legitimate government of the Panamanian people. We believe that as soon as a few matters are defined, the friendly governments in this hemisphere will start to accept the constitutional government of President Endara. We will work together with these countries to make a new Panama, to reconstruct the country; it badly needs this. I see a promising future for Panama, with the help of all the fraternal countries in the hemisphere that have always expressed support for us and repudiated the dicatatorship that governed us.

[Ruiz] However, Mr. Ambassador, this dark chapter in Panama could have been resolved if the OAS would have taken a different attitude a few months ago. Do you believe you that, with the tragic example of what has occured in Panama, you can get the OAS to do its job without another Panama occuring?

[Chewning] I believe that U.S. intervention and the bloodshed of so many innocent people would have been avoided if the OAS would have held a firmer position during the Panamanian crisis. I hope that, as the Panamanian ambassador to the OAS, I will create awareness in the OAS so it takes steps to avoid future dictatorships on our continent. I hope that we have all learned our lesson with Panama, and I will do everything I possibly can at the OAS to keep it from happening again in our hemisphere.

[Ruiz] Mr. Ambassador, could you comment on your appointment? How were you chosen? When did the president call you and what did he say? Go ahead.

[Chewning] My appointment was made early in the morning on 22 December. Approximately at 0400, President Endara called me to let me know that he was going to name me his ambassador to Washington. I, of course, accepted his designation as it was a way to continue working for the fatherland. I am a career diplomat with more than 24 years of experience. I believe my new job is a challenge as the situation is very tough and we have to work very hard. I will do all I can to show President Endara that he selected the right person to be his ambassador and I will never let him down. I will work hard. The appointment was a surprise to me as I did not expect it. I was called at 0400, and Vice President Ricardo Arias Calderon also talked to me and confirmed the appointment of President Endara.

[Ruiz] Mr. Ambassador of Panama, Mr. Ambassador of the constitutional Government of Panama to the OAS: Do you have a message for those persons who are still presenting a little resistance in Panama? Go ahead.

[Chewning] I invite them to join the Panamanian people who so badly want freedom. I invite them to join the Panamanians who have struggled for many years to attain democracy. I invite those who still remain isolated and support the regime that is already finished—because that regime is already finished—to join the country's constitutional forces, the people who love democracy so we can all work together to reconstruct the country, something that is required. The task that lies ahead is very hard but we will go forward because we have a good government. It is going to be a good government, and the Panamanian people know this. They know that the vote they placed in the ballot boxes and that they tried to steal from them .... [changes thought] They will never regret having given their vote to this government.

[Ruiz] We thank Mr. Ambassador to the OAS for his comments on the Panamanian situation and we wish him success in his new tasks.

U.S. Troops Arrest PRD Coordinator Rognoni

PA2612041489 Panama City ACAN in Spanish 0142 GMT 26 Dec 89

[Text] Panama City, 25 Dec (ACAN-EFE)—Mario Rognoni, former Commerce and Industry Minister, and coordinator of the PRD [Democratic Revolutionary Party] was arrested today by U.S. troops and taken to the Southern Command's General Headquarters.

Eyewitnesses said that Rognoni was arrested at his office in downtown Panama City.

Yesterday Rognoni signed the first document made public by the PRD since the U.S. invasion of Panama. The communique condemns "the brutal aggression by U.S. invading forces."

The communique, also signed by Ruben Murgas, former director of the government radio station, states the PRD's willingness to act as "a democratic and peaceful party opposing the regime imposed by U.S. forces."

It is not known if Rognoni and Murgas have been released. The Southern Command has not yet given any official report of their arrests.

Rognoni, one of the former regime's most oustanding figures, was closely linked to General Manuel Antonio Noriega. Rognoni has many connections in the United States.

PRD Says New Government Lacks Legitimacy

PA2612025789 Paris AFP in Spanish 0210 GMT 26 Dec 89

[Text] Mexico City, 25 Dec (AFP)—A communique issued by the Panamanian Democratic Revolutionary Party (PRD) in Mexico City today says that General Manuel Antonio Noriega "has sought asylum at the Apostolic Nunciature to try to halt the massacre of noncombatant civilians."

Explaining the reasons behind Noriega's action, the PRD communique adds that despite what has taken place "nothing has changed as far as the Panamanian people's and nation's struggle to achieve independence is concerned. This struggle will continue with even more determination now that thousands of our countrymen have sacrificed their lives."

In the communique, addressed "to the international community," the PRD rejects the U.S. armed intervention and says that the new government is taking over "bathed in blood, after having sacrificed our national sovereignty, and without any support or legitimacy other than that provided by the foreign army."

The PRD's message stresses that the U.S. interventionist action is illegal, immoral, and completely opposed to the processes of detente and democratization that are under way in the rest of the world.

Pereira Proposes Conference for Reconciliation

PA2612212489 Panama City ACAN in Spanish 1947 GMT 26 Dec 89

[Text] Panama City, 26 Dec (ACAN-EFE)—Renato Pereira, former Panamanian government and justice minister, proposed in Paris today that an "international conference" on the reconciliation between Panamanian civilian forces be held and that this conference be held in Spain.

In a telephone interview from Paris, where he was when the U.S. invasion began on 20 December, Pereira said that "the military power chapter has definitely been closed. It is advisable to create the necessary conditions to establish a stable civilian power."

Pereira, who was one of General Manuel Noriega's top aides, said that "Madrid could be the best site for a meeting of Panamanian Social Democrats, Liberals, and Christian Democrats to "outline a new state model."

According to Pereira, the first decision the political parties should make is "to ask for the immediate cessation of the U.S. intervention" and call for a "constituent process."

Referring to the fact that U.S. troops have detained 4,446 Panamanians, civilian and military, since the invasion started, he asked for "a cessation of repression."

Regarding the formation of the new government headed by Guillermo Endara shortly after the military intervention started, the former minister pointed out that "the (U.S.) invasion cannot legitimize" this government.

Pereira, however, approved Endara's preliminary statements saying he is willing to leave political space for the opposition. Endara said that the Democratic Revolutionary Party [PRD], which headed the former government, "has every right to remain a party."

"We are willing to talk with them and find ways for them to cooperate with the new Republic," Endara said, adding, however, that the government will not call for elections for 5 years.

Pereira added: "The sooner the Americans leave (Panama), the sooner the political parties can reach an agreement."

Nils Castro Says Resistance Will Continue

FL2712000289 Mexico City NOTIMEX in Spanish 2320 GMT 26 Dec 89

[Text] Mexico City, 26 Dec (NOTIMEX)—The Panamanian resistance's cease-fire does not rule out that the guerrilla will eventually operate in Panama. This was said by Nils Castro, adviser to the deposed provisional Government of Panama and vice president of the Permanent Conference of Latin American Political Parties, COPPPAL. Some militias pulled back. They are men

who are accustomed to gunfire and who have gone to the mountains. If they return to fight we are not going to turn our backs on them, said the COPPAL leader.

Castro told NOTIMEX that the Dignity Battalions (popular militia) and the forces loyal to General Manuel Antonio Noriega decided on a cease-fire to prevent devastation of the population inasmuch as the dead civilians amount to 5,000.

By stopping the resistance, Noriega, deposed chief of the Panama Defense Forces (FDP), had to seek refuge at the Apostolic Nunciature because if the fighting stopped it was also impossible to protect him, explained Castro. In addition, 10,000 FDP infantrymen cannot encounter the almost 41,000 U.S. soldiers, who are in Panamanian territory, according to Nils Castro.

The today dismantled FDP had rifles, mortars, anti-tank missiles, and aircraft, which were destroyed during the first hours of the U.S. invasion on the night of 19 December, according to the Panamanian politician.

Meanwhile, the so-called Dignity Battalions, which are civilian patriotic forces, and other fighters continue resisting in Cerro Azul, north of Panama City. These groups are armed with U.S. rifles and Soviet AK-47's obtained during a weapons seizure the Panamanian Government carried out some 2 years ago, said Castro.

The canal treaties provided for the creation of a defense force for which the former Panamanian police was merged to replace the U.S. troops in the protection of the canal. The guarding of the canal is a joint U.S.-Panamanian task and the U.S. participation had been declining. Castro said this explains why the main blow of the invasion was aimed at eliminating the FDP, because the treaties stipulated that if those forces did not exist the U.S. troops could stay.

Castro asserted that one cannot talk about forces loyal to Noriega because the general is the spokesperson for the officers trained under Torrijos during the seventies and eighties. The resistance will continue with or without Noriega but at this time it is not appropriate to fight with bullets because we want a fatherland and not martyrs, said Castro.

Arias Orders Reopening of Media Enterprises

PA2312200089 Hamburg DPA in Spanish 1819 GMT 23 Dec 89

[Text] Panama City, 23 Dec (DPA)—Liberty bells pealed today in Panama City after Circuito RPC, the main radio and television network in the country, came back on the air. The enterprise was persecuted by the regime of General Manuel Antonio Noriega who ordered it taken over in August.

Edwin Cabrera, spokesman for Ricardo Arias Calderon, first vice president of Panama and justice and government minister, has told DPA that Arias Calderon had also ordered the reopening of all the media closed by Gen. Noriega's "dictatorship" in February 1988 and in the months that followed.

Cabrera announced that the newspapers EXTRA, LA PRENSA, and EL SIGLO, and the radio stations KW Continente, Exitosa, Radio Suave, Radio Mundial, and Telecinco Television, can operate once again. He also said that the Government Ministry was offering full support to the owners and would help them resolve any problems they might have in reopening their media.

Asked for their reaction to the new government's decision, several newsmen told DPA that "freedom bells" were finally pealing throughout the country. The country's radio stations, including many that supported Gen. Manuel Antonio Noriega, were also slowly resuming their regular transmissions.

EL PANAMA AMERICA Revived

PA2712003989 Panama City Circuito RPC Television in Spanish 2311 GMT 26 Dec 89

[Text] The first edition of the newspaper EL PANAMA AMERICA is expected on 3 January, after being out of circulation for 21 years. The newspaper's owner, Dr. Gilberto Arias, talked about the militant newspaper's reappearance.

[Begin recording] [Arias] We are happy to renew the titanic work of journalism, so we have returned and we expect to publish the newspapers EL PANAMA AMERICA, CRITICA—and probably LA PRENSA if the owners cannot publish it—by 3 January.

[Reporter] Doctor, what will be the guidelines of the newspapers that your publishing house intends to publish?

[Arias] The newspapers we have published have always been at the people's service. That is a social role that allows the exchange of ideas. The newspapers' pages are open to those who want to help, criticize, and make constructive observations. We do not see the newspapers as political instruments; they will have no links with any political parties. However, I do want to make it quite clear that we will give our full support to the president of the Republic, Mr. Guillermo Endara Galimany, in this phase. [end recording]

Dr. Gilberto Arias also gave his views on the U.S. military action that ousted Mr. Manuel Antonio Noriega.

[Begin Arias recording] The U.S. Army has come to rescue the Panamanian people. It came to rescue the Panamanian people from the tyranny of Manuel Antonio Noriega's government. [end recording]

Two TV Stations Under Government Control

PA2712032689 Paris AFP in Spanish 0114 GMT 27 Dec 89

[Text] Panama City, 26 Dec (AFP)—Television Channel 2 [Televisora Nacional], a pro-Noriega television station 1 week ago, today broadcast its first newscast after an 8-day interruption, defending the government of Guillermo Endara which was installed after the U.S. invasion on 20 December.

The station, whose manager was Carlos Duque, president of the Democratic Revolutinary Party—former ruling party—is now occupied by the new government, as is Channel 5 [Panavision Television], owned by David Amado, who is one of Noriega's associates.

Ricardo Arias, first vice president and government minister, said today that the two stations will remain under government control until their ownership is determined.

Nation's Media Operations Assessed

PA2612234689 Paris AFP in Spanish 2223 GMT 26 Dec 89

[Text] Panama City, 26 Dec (AFP)—Panamanian radio stations today launched a strong campaign against the Catholic nunciature for sheltering General Manuel Antonio Noriega, the former Panama Defense Forces [FDP] commander in chief, who was overthrown by the U.S. invasion on Tuesday, 20 December.

Radio Mia, which was one of the first radio stations to begin broadcasts on 25 December, today carried a news and commentary program repeatedly raising questions about Apostolic Nuncio Sebastian Laboa.

According to the station, Laboa has reportedly authorized Noriega to use the embassy's telephone and fax facilities to send messages to Miami and Nicaragua, among other places.

"Let the gentlemen at the Vatican take a good look at what they are going to do about Noriega. Neither the pope (John Paul II) nor anybody else can assert that this criminal is a political refugee," said one of the station's commentators.

Radio Mia, which besides RPC [Circuito RPC Radio and Circuito RPC Television], was the only station carrying news and commentary across the country, said that the Vatican reportedly had no right to grant asylum to Noriega and was obliged to turn him over to U.S. authorities "so they will put him behind bars for life."

The campaign, which some Panamanians feel may give rise to "a witch hunt," was taking place despite President Guillermo Endara's call to shun hatred and to devote every effort to achieve reconciliation among Panamanians.

Simultaneously, it was reported that from the U.S. Southern Command, headquartered in the Panama canal zone, a network of ham radio operators was being organized to locate "all of the rats"—citizens who worked for the overthrown regime—to capture and put them in jail.

[Words indistinct] said that hundreds of reporters who worked for the newspapers controlled by the Noriega regime are in hiding for fear of arrest. Meanwhile, members of the Arias Galindo family went today to the installations of the government-run Editora Renovacion, S.A. (ERSA) to take over control of the firm, which was seized by the military 20 years ago. ERSA published the pro-Noriega newspapers CRITICA, LA REPUBLICA, and MATUTINO—the last issues of which were published the previous Wednesday. Spokesmen for the Arias Galindo family said that a new newspaper will probably begin publication this week.

Meanwhile, the owners of the newspaper LA PRENSA, which was closed in July 1987, when the first mass shows of opposition against the regime began, said that they will resume operations within a week or two. The newspaper's printing and editing equipment were almost completely destroyed by the troops of the former regime who were in charge of guarding the newspaper following its seizure because of its antigovernment campaigns.

Other media that are preparing to resume operations are the KW Continente and Radio Diez radio stations, as well as the newspapers EXTRA and EL SIGLO, which fell victim to Noriega's censorship and attacks.

Nothing is known about the future of television Channel 2 [Televisora Nacional], owned by Carlos Duque, the former official presidential candidate, whose whereabouts are unknown. The same is the case with television Channel 5 [Panavision Television], whose owner was former President Eric Delvalle, who was deposed by Noriega in February 1988.

Publishing Company Owners Plan To Sue Noriega

PA2612174189 Hamburg DPA in Spanish 1659 GMT 26 Dec 89

[Text] Panama City, 26 Dec (DPA)—The facilities of the PANAMA AMERICA Publishing Company, confiscated 20 years ago by the Panamanian military from the Arias Guardia family, were given back to its owners today by the new Panamanian Government headed by Guillermo Endara.

Gilberto Arias Guardia today received the facilities, which for 20 years had been used for editing the newspapers that supported the various governments and military chiefs from Omar Torrijos until Manuel Antonio Noriega, recently overthrown.

Arias Guardia told a group of workers that "he does not have any desire to seek revenge" and asked for their cooperation in resuming operations as soon as possible.

Meanwhile, Santiago Cajar, secretary general of the Union of Typographers and Graphic Arts Workers, said

that the workers are not responsible for the political line followed by the papers that were edited previously and announced the workers' willingness to continue working.

In addition, the publishers of the closed EXTRA and LA PRENSA newspapers announced today that after an inspection, they found their facilities in disastrous condition.

The EXTRA newspaper publisher Cristobal Sarmiento revealed that he plans to sue General Manuel Antonio Noriega, former Attorney General Carlos Villalaz, and former Government and Justice Minister Rodolfo Chiari, who ordered the closing of the EXTRA newspaper facilities in February 1988.

Anti-Noriega Coupists Support Endara Government

PA2312231189 Hamburg DPA in Spanish 2138 GMT 23 Dec 89

[Text] Panama City, 23 Dec (DPA)—Most of the Panamanian officers who in 1988 and in October 1989 unsuccessfully attempted to overthrow General Manuel Antonio Noriega have joined the sector of the National Army that supports the new government of President Guillermo Endara.

The troops that support Endara are led by Eduardo Herrera, a colonel and former Panamanian ambassador to Israel. Their general headquarters is at the installations of the National Directorate of Land Traffic and Transportation in the Ancon area.

Among the officers are Majors Anel Adames, Augusto Villalaz, Jose Maria Serrano, and Cristobal Fundora, as well as Lieutenants Renato Famiglietti and Edgardo Falcon Diaz, who were involved in the 16 March 1988 attempted coup. Adames and Villalaz had fled to the United States and the others were arrested and released on 21 December.

Captain Javier Licona, the only leader of the 3 October attempted coup against Noriega who survived and managed to escape to the United States, and Major Jaime Correa, also joined the new Army.

Other officers who did not participate in the coups against Noriega, like Majors Ricardo Reyes, Juan Antonio Guizado, and Reynaldo Cedeno, as well as Captains Jorge Bernal and Leslie Loaiza, are also faithful to Endara.

It is expected that in the next few days more officers who sought refuge in the United States or who are being held in jails throughout the country will join the Army.

Soldiers Arrested in 3 Oct Coup Released

PA2312144389 Panama City ACAN in Spanish 1405 GMT 23 Dec 89

[Text] Panama City, 23 Dec (ACAN-EFE)—A total of 75 Panamanian soldiers and 1 civilian involved in the 3 October attempted coup d'etat against General Manuel Antonio Noriega have been released by the new Panamanian authorities installed following the U.S. invasion of Panama.

Daniel Alonso, the only civilian involved in this foiled coup, told ACAN-EFE during a telephone call from Coiba Penal Island on the Panamanian Pacific coast that he and the 75 soldiers had been sent to Coiba on 29 October.

Without giving names, Alonso, who worked for the Panama Defense Forces' Public Relations Department, said that there are 2 majors, 2 captains, and 10 noncommissioned officers, among the 75 soldiers who were released.

"We are all fine and waiting for a plane or boat to come pick us up and take us to Panama City. It should be here in the next few hours or days, Alonso said during the brief telephone conversation.

'Stranded' on Island

PA2612024289 Panama City ACAN in Spanish 0123 GMT 26 Dec 89

[Text] Panama City, 25 Dec (ACAN-EFE)—Some 75 officers arrested by General Manuel Antonio Noriega for alleged participation in an attempted coup remain "abandoned" at the penitentiary on the island of Coiba in the Pacific Ocean, according to one of their relatives.

The officers, who were in the Coiba Penitentiary on the island of the same name, cannot get to the mainland now that the prison authorities have surrendered to the U.S. troops that invaded the country, according to Juan Dominguez, a relative of Captain Jose Luis Sanchez, one of the imprisoned officers.

Dominguez told ACAN-EFE that the officers "are stranded on Coiba and are unable to leave for lack of boats."

Sanchez was an executive officer in Panama's Navy when he was arrested for alleged participation in a coup attempt against Noriega in October.

According to Dominguez, the officers stranded on Coiba include Majors Agustin Pajaro and Ruben Dario Mascunana.

"We are concerned about our relatives, who have been abandoned at the penitentiary now that Captain Benjamin Solis, who was in charge on Coiba, turned himself in to the Americans on Saturday," Dominguez said.

TV Reports Situation 'Returning to Normal'

PA2712035289 Panama City Circuito RPC Television in Spanish 2317 GMT 26 Dec 89

[Text] One week after U.S. troops arrived in Panama to, among other things, capture Manuel Antonio Noriega, Panama City today started returning to normal. A few of the stores that were not looted opened their doors.

Numerous vehicles are on the streets for the first time since the crisis began. U.S. troops and the new Panamanian Public Force started to patrol the city's streets to prevent looting and protect the population.

[Begin recording] [Unidentified man] Everything is all right. I am glad everything is returning to normal. I am satisfied.

[Reporter] Where did you work?

[Unidentified man] At the San Francisco power substation.

[Second unidentified man] Many of those lunatics who have been firing randomly have handed over their guns. I am glad we can build a better Panama.

[Former Panama Defense Forces (FDP) member] We are glad all this is over. We invite those who have not yet surrendered to do so. We are safe here. We are in no danger. We invite our friends to come and join the military institution again after they lay down their weapons.

[Second former FDP member] A large number of our comrades in arms have surrendered, and this is the best thing they could do. We have been given food and been paid for the weapons we handed over. Everything is all right. Now we are willing to help the people on the streets to avoid any further trouble. There was plenty of looting by the Dignity Battalions, but everything is normal. Patrols outside the inner city have been increased.

[Third former FDP member] We hope the people are satisfied with the police service we will render. This is rather a public relations service. We will support our new commander.

[Fourth former FDP member] I am glad to join the police force. It would be a shame to waste the many years of service I have accumulated by not joining. [end recording]

The operations at the Panama Canal, which closed for the first time in its history, are nearly back to normal. The number of ships in transit approaches the normal figure of 30 daily. The Bridge of the Americas was reopened and trucks with vegetables, rice, and other staples have begun to arrive in Panama City. Some people of the interior have already started to return. Major Ricardo Reyes Dutari, head of the traffic department, speaks about his work.

[Begin recording] [Reyes] I talked to drivers yesterday and asked them to cooperate. You must have seen all the buses, trucks, and taxis, all of which began operating again today. We talked to the sanitation department and made arrangements so they can help us clear the streets of rubble and vehicles. Any vehicles in good condition are being picked up and parked in a specific place, while those destroyed are put elsewhere. We are trying to clear the streets to ensure normal traffic flow through accessible areas.

[Reporter] What about the fuel problem? [30-second break in reception]

[Reyes] Several stations are dispatching gasoline. As you know, after what happened, it will take time to get things back to normal. We are doing everything possible to get fuel as soon as possible.

[Reporter] Have many traffic policemen joined this effort?

[Reyes] Yes, the department is fully staffed. In fact, we now have more members than there used to be in the traffic department. [end recording]

Former FDP Officer Extradited to Florida

PA2612205489 Hamburg DPA in Spanish 1532 GMT 26 Dec 89

[Excerpt] Panama City, 26 Dec (DPA)— Colonel Luis del Cid was extradited to Miami last night, where he will face Florida prosecutors, who are accusing him of being General Manuel Antonio Noriega's link and courier with the Medellin Cartel.

Del Cid was the chief of the military zone in Chiriqui, the third province in the country bordering Costa Rica, and he was the first member of General Noriega's staff to surrender to the U.S. troops that invaded Panama on 20 December.

The Panamanian military man was in the custody of the U.S. soldiers, and he was taken from Chiriqui to Howard Air Force Base on the Panamanian Pacific coast from where he was taken to Miami.

According to the files of the Florida grand jury, Del Cid was involved in the trafficking of 800 kgs of cocaine and is accused of receiving thousands of dollars from the Medellin cartel.

Moreover, Panama City, which is being cleaned up by the U.S. troops and the Public Forces, is getting ready today to receive thousands of employees from the private sector and some from the public sector, such as those from the telephone, water, power, fire, and hospital services.

Bus transportation officials, who were pampered by the former regime, announced last night that they support the new president, Guillermo Endara, and they announced that bus service will be provided today as usual.

The Bridge of the Americas, which has been closed since 20 December by U.S. troops, will be reopened today to allow workers living in the areas of Arraijan and Chorrera to move to the capital. The bridge had previously been open only for trucks bringing agriculture products from Chiriqui Province, the major agricultural area of the country.

Shots were reportedly heard last night between Cuban Embassy officials and unidentified individuals. The

Cuban Embassy is surrounded by tanks and U.S. Army soldiers. The Cuban ambassador in Panama City, in statements made to a local television station, said he had called the president of the UN Security Council, Colombian Enrique Penalosa, to protest the presence of U.S. troops near his home. [passage omitted]

Chiriqui Headquarters Occupied by U.S. Troops

PA2612000789 Panama City Circuito RPC Radio in Spanish 2003 GMT 25 Dec 89

[Report by Domiciano Gonzalez from Chiriqui Province]

[Text] Since early this morning, 25 December, four-engined reconnaissance airplanes have been overflying the city of David, followed by swarms of U.S. Army helicopter gunships, which were waved at by an incredible crowd of citizens. Streets and avenues of the area near the garrison were painted with U.S. flags to salute the Southern Command soldiers, while other helicopters made a tactical reconnaissance of the city. The 5th Military Zone headquarters was occupied in an orderly fashion by the U.S. Army, which used the 16 December game park to land their helicopters on Chiriqui soil.

The cheers never end as thousands and thousands shake hands with those who, with all their enormous might, reestablished democracy on Chiriqui soil. People from all social levels in David, such as businessmen, workers, industrialists, and clamoring people anxiously await the happy conclusion of this operation. There is much happiness among those watching the so-called Dignity Battalions being led away under arrest by U.S. soldiers. Everyone is celebrating. There are pots, flags, handkerchiefs, and happiness.

We would like to mention that at about 1300, the garrison's gates were opened and the functions previously performed by the Panama Defense Forces have been taken over by Southern Command soldiers. We want to highlight that a short time ago [former Chiriqui Military Zone commander] Lieutenant Colonel Luis Del Cid was taken into custody by U.S. soldiers. We want to stress that reporters were not allowed to film any of the events that transpired there.

Raid Against Noriega's Rio Sereno Farm Planned

PA2612230589 Hamburg DPA in Spanish 2225 GMT 26 Dec 89

[Text] San Jose, 26 Dec (DPA)—The new Panamanian authorities and the U.S. Army are preparing an operation to raid the "Rio Sereno" farm owned by General Manuel Antonio Noriega.

The farm is located on the Costa Rican border and has a landing strip, radar equipment, gigantic television antennae, and facilities such as swimming pools, camping areas for parties, and special cabins for guests.

It is presumed that in "Rio Sereno" there are approximately 300 military members who worked for Noriega in recent years and, according to reports from the border area, everything indicates that the farm will be "taken over" in the next few hours.

This farm became Gen. Noriega's favorite place to spend the weekends and entertain his special guests over the last 5 years.

Bridge of Americas Open for Food Transport

PA2312202489 (Clandestine) La Red Patriotica de Divulgacion de la Verdad in Spanish to Panama 1957 GMT 23 Dec 89

[Announcement by President Guillermo Endara Galimany; date and place not given—recorded]

[Text] The constitutional government of the Republic of Panama informs all users of the Bridge of Americas of the following:

At the request of the constitutional government of the Republic of Panama, traffic of trucks carrying perishable foodstuffs has been reestablished on the Bridge of the Americas. I repeat, traffic of trucks carrying perishable foodstuffs will be allowed from 0800 through 1200 beginning on 23 December 1989.

Only the minimum number of individuals needed to unload the truck may accompany the driver. All vehicles will be searched to ensure that their cargo fits the required specifications. Those that do not fit these specifications will not be allowed to pass. Any cargo other than perishable foodstuffs will run the risk of being confiscated.

'Air Bridge' With Latin America 'Suspended'

FL2512225389 Mexico City NOTIMEX in Spanish 2159 GMT 25 Dec 89

[Text] San Jose, 25 Dec (NOTIMEX)—Costa Rican radio has reported that the air bridge established between Panama's Omar Torrijos International Airport and other Latin American terminals was suspended because of fighting between the Panamanian capital and the base.

San Jose radio stations reported fighting is going on on the road leading to the Omar Torrijos Airport, in the Tocumen area, and Panama City, which are 25 km from each other. This forced the suspension of the air bridge that was going to be established beginning today, the 6th day of the U.S. invasion in Panama.

The radio stations indicated that an Argentine Air Force plane, one from Ecuador, and two more from Central

American commercial airlines remained parked at the San Jose terminal because of the suspension of the air bridge by Southern Command troops for security reasons.

The four aircraft left the San Jose airport bound for Panama, but only the one from Argentina was able to land at the Omar Torrijos Airport. It left medicines and food for the victims and returned immediately. The three others were not given permission to land on Panamanian soil.

Because of this situation, hundreds of Costa Rican and Ecuadoran citizens, as well as other foreign citizens that were going to be repatriated, had to return to their hotels because the U.S. forces blocked the access to the Tocumen air terminal.

According to Colombian radio, other planes carrying surgical material and food for the wounded and other victims are also at the Colombian and Costa Rican airports waiting for flights to Panama be authorized again.

The radio stations report that there are still pockets of resistance outside the capital made up of the Panama Defense Forces loyal to Noriega and of Dignity Battalions.

FDP Major Seeks Asylum at Peruvian Embassy

PA2312181389 Hamdurg DPA in Spanish 1737 GMT 23 Dec 89

[Text] Lima, 23 Dec (DPA)—Peruvian Foreign Minister Guillermo Larco Cox has reported that a Panama Defense Force major by the name of Camargo has sought asylum at the Peruvian Embassy in Panama.

The minister told reportes at the end of the Congress session last night that the doors of the Peruvian Embassy in Panama are open to anyone seeking political asylum in Peru.

It was reported that Major Camargo graduated from the Chorrillos Military Academy in Peru, which dictator General Manuel Antonio Noriega also attended.

ETA Members Sought Refuge at Nunciature 20 Dec

PA2612183189 Panama City ACAN in Spanish 1650 GMT 26 Dec 89

[Text] Panama City, 26 Dec (ACAN-EFE)—Five Spanish citizens—four of them members of the terrorist ETA [Basque Fatherland and Liberty]—who had been deported to Panama, sought refuge at the Apostolic Nunciature in Panama on 20 December, the day the U.S. invasion began. The ETA members remain inside the Nunciature along with other people, including General Manuel Antonio Noriega.

Diplomatic sources, who confirmed this information, added that the ETA members arrived at the Nunciature on the morning of 20 December, a little after the beginning of the U.S. attack against Panamanian military installations.

The ETA members who sought refuge at the Nunciature are: Miguel Angel Ardana, Juan Carlos Arrioran, Juan Jose Aristizaga, Koldo Zaralegui, and Zaralegui's wife Yane Idigoras.

Spanish Nuncio Jose Sebastian Laboa agreed to grant refuge to the ETA members, who requested refuge themselves. The ETA members were living in Panama.

The Nunciature is surrounded by U.S. troops and armored vehicles that prevent people from coming out of the Nunciature and control all movements around the Vatican Embassy.

After meeting with the nuncio, even new Panamanian Foreign Minister Julio Linares had to get out of his official vehicle so the U.S. soldiers could search the vehicle's trunk and glove compartment.

The United States invaded Panama with the intention of capturing Noriega. Now, the United States wants the Vatican to turn Noriega over to U.S. hands so he can be tried by U.S. justice for alleged drug-trafficking charges.

The four ETA members arrived in Panama in 1987 after having been deported and as a result of an agreement between the Panamanian and Spanish Governments. A fifth ETA member who arrived in Panama recently is not at the Nunciature.

Argentina

U.S. Ambassador's Remarks on Panama 'Displeasing'

PY2612134489 Buenos Aires TELAM in Spanish 1301 GMT 26 Dec 89

[Text] Buenos Aires, 26 Dec (TELAM)—Antonio Caffiero, chairman of the national board of the Justicialist Party, today commented on the situation in Panama.

He said that "we have voiced our surprise and displeasure over the statement [not further identified] by U.S. Ambassador in Argentina Terence Todman."

Caffiero made this remark at Government House after he met with President Menem and later with Interior Minister Julio Mera Figueroa. The members of the national board of the Justicialist Party visited Mera Figueroa to analyze the statement of the U.S. ambassador in Argentina.

Seineldin Under House Arrest for Panama Comments

PY2612214789 Buenos Aires TELAM in Spanish 2107 GMT 26 Dec 89

[Text] Buenos Aires, 26 Dec (TELAM)—Reliable military sources reported today that Colonel Mohamed Ali Seineldin, retired, was sanctioned by the Army General Staff and placed under 10 days of house arrest for publicly commenting without authorization on the U.S. invasion of Panama.

Seineldin, who headed the Villa Martelli military uprising, was the Argentine military attache in Panama and a former advisor to the Panama Defense Forces. He begins his period of house arrest today.

[Buenos Aires DYN in Spanish at 2110 GMT on 26 December, in a similar report, reports that Seineldin commented after the announcement of his arrest, saying: "It is an honor to have been sanctioned for defending the sovereignty of a Latin American country that supported our cause over the Malvinas Islands." The DYN item reports that Seineldin had previously issued written comments condemning the U.S. invasion and also appeared on television wearing his combat uniform for the same purpose.]

Recognition of New Romanian Government Announced

PY2612234189 Buenos Aires TELAM in Spanish 2257 GMT 26 Dec 89

[Text] Buenos Aires, 26 Dec (TELAM)—It was officially reported today that the Argentine Government has recognized the provisional Romanian Government headed by Ion Iliescu. The government expressed its "firm support for the process of political reform being carried out by Romanian society and being led by the officials."

The communique released by Government House says that the notes were sent today through the Argentine mission in Bucharest and the Romanian Embassy in Buenos Aires.

Cavallo Undergoes Successful Gall Bladder Surgery

PY2612191989 Buenos Aires TELAM in Spanish 1804 GMT 26 Dec 89

[Text] Buenos Aires, 26 Dec (TELAM)—Foreign Minister Domingo Cavallo is recovering from gall bladder surgery that took place at noon today. The Foreign Ministry reported that the successful operation was carried out at Del Sol Hospital in this city.

Bolivia

Government Considers Postponing Antidrug Summit

PY2412211989 Madrid EFE in Spanish 0234 GMT 24 Dec 89

[Text] La Paz, 23 Dec (EFE)—Bolivian Foreign Minister Carlos Iturralde today reported that the Bolivian Government is carrying out consultations on postponing the antidrug summit scheduled for next February in Colombia because of the U.S. military invasion of Panama.

Iturralde said that the La Paz authorities are evaluating what has happened in Panama and the attitudes assumed by the rest of the countries of the region on this subject. He said Bolivia has begun to carry out consultations on the possibility of postponing the summit.

The summit, which is scheduled for mid-February 1990 in the city of Cartagena de Indias, Colombia, is supposed to bring together Bolivian President Jaime Paz, Colombian President Virgilio Barco, Peruvian President Alan Garcia, and U.S. President George Bush to discuss a joint strategy against drug trafficking. However, in view of the U.S. invasion of Panama, the Peruvian president announced that he will not attend the summit in protest.

Bolivian Deputy Foreign Minister Javier Murillo has pointed out that Bolivia has not received an official notice regarding the suspension of the summit and is therefore still organizing a presummit preparatory meeting that is scheduled for 10 January in Santa Cruz, 900 km east of La Paz.

Last 5 September, the U.S. Government announced the implementation of the Bennett Plan, which provides for an increase in military and economic aid for Bolivia, Colombia, and Peru for the war against drug trafficking. This plan was supposed to be examined at the Cartagena summit.

Coca Farmers Meet, Reject Bennett Plan

PY2312023389 La Paz La Red Panamericana in Spanish 0000 GMT 21 Dec 89

[Text] Pastor Velasquez, one of the leaders of the National Confederation of Bolivian Peasants [CNTCB], has said that the 6th Congress of Coca Producers, which was held in Cochabamba, has decided to ratify the PIDYS [Coca Substitution and Development Plan] agreements that were signed with the Bolivian Government in 1987, 1988 and 1989. He added that the Congress also discussed the need to abrogate Law 1008 [not further identified] because it is unconstitutional.

[Begin Velasquez recording, in progress]...besides, these are two things that do not go together: One is the law on coca leaves, and the other is this law we are questioning. The two laws should be implemented separately.

The Congress also decided to set up the PIDYS board with members of the Bolivian Labor Federation and of the Peasant Federations of Coca Harvesters and Producers. The final decision was to fully reject the Bennett Plan because it constitutes a violation of Bolivia's national sovereignty. [end recording]

Velazquez also confirmed that the peasants will meet with Minister of Agriculture, Livestock and Campesino Affairs Mauro Bertero Gutierrez. Velasquez said that important issues will be discussed at this meeting.

[Begin Velasquez recording] We have an appointment with the minister of agriculture, livestock and campesino affairs for 0900 tomorrow. At this meeting we will ask him to suspend the taxes on rural real estate. [end recording]

Army Commander Admits Presence of Shining Path

PY2312010089 Madrid EFE in Spanish 0502 GMT 22 Dec 89

[Text] La Paz, 21 Dec (EFE)—The newspaper ULTIMA HORA today reported that General Rolando Espinoza, commander in chief of the Bolivian Army, has admitted that there are members of the Peruvian Shining Path terrorist group in Bolivia.

According to the newspaper, Gen Espinoza said that the Bolivian Army Intelligence Department has been able to verify the presence of Shining Path members in Bolivia. However, Espinoza clarified that these members "enter the country for logistic purposes and to give first aid to their wounded men."

According to ULTIMA HORA, Gen Espinoza does not think that the terrorists will carry out military actions in Bolivia. He also reported that the Army will implement a plan to improve security in the border area. He said that "the first thing that the Army must do is to prevent any kind of action in Bolivia, no matter how peaceful it may be."

Such a plan will allow "deployments closer to conflictive areas," and it could be carried out by the first quarter of 1990, the Bolivian military chief said.

Brazil

Collor de Mello Holds News Conference

PY2212017289 Rio de Janeiro Rede Globo Television in Portuguese 1225 GMT 22 Dec 89

[News conference held by President-elect Fernando Collor de Mello with national and foreign journalists at Superior Electoral Tribunal headquarters in Brasilia—live]

[Text] [Danesi] Vicente Danesi from Sao Paul JORNAL DE TARDE.

How do you intend to privatize public enterprises? Public enterprises have been created by law and can only be privatized by law. How will you handle the issue in Congress?

[Collor de Mello] First I want to congratulate the Superior Electoral Tribunal and all those who helped count the vote for their correct, honest, and efficient work. I also want to express my satisfaction at being here this morning because this is my first news conference as president-elect of the Federative Republic of Brazil.

Regarding the question, we have to promote privatization. This does not mean that privatization is a goal in itself. It is part of a policy to reduce the role of the state in the Brazilian economy. Appropriate studies are being conducted to ascertain which enterprises will be targeted for privatization and how privatization will be implemented. We have several alternatives: the stock market, the purchase of shares by workers, the purchase of assets through the debt conversion process. The studies will give us a clear notion of what we need to do to take this heavy burden from the state's shoulders, thereby allowing the state to fulfill its functions and purposes in the social areas like health, education, and housing.

The National Congress, with the new prerogatives granted to it by our new Constitution, will naturally be a close partner. The people did not only elect me president; they chose the proposals I presented to them in my campaign. The issue of privatization was one of my platform proposals and was, therefore, approved by over 35 million Brazilians.

[Danesi] Mr. President, can you talk about deadlines?

[Collor de Mello] I cannot talk about deadlines. Our National Congress will have to decide that. The process depends on the legislative branch as much as on the executive branch.

[Lucciola] Enio Lucciola from Cultura Television, Sao Paulo.

The United States has invaded Panama. Do you think the move will hurt the liberalization process in Eastern Europe or Mikhail Gorbachev's perestroyka? What would you do if you were the president today, apart from issuing letters of solidarity?

[Collor de Mello] Brazilian foreign policy over the last few years should not be touched. I believe that a few years from the 21st century we cannot tolerate such incidents without issuing a vehement protest and without raising this issue at the international level. This is a regrettable incident that undermines the self-determination of peoples. It undermines peace; it affects peace in Latin America. I hope the U.S. Government will quickly reverse its position, and I hope that after some self-criticism it will realize that this is not the way to contribute to peace on earth.

I also think the incident will not affect the process of liberalization in the world, particularly in Eastern Europe and the Soviet Union.

[Lucciola] Mr. President, in view of other incidents such as this one—like the Malvinas Islands incident—do you think Brazil has to take any preventive measures, within the framework of Latin American unity and integration, to guarantee its defense and sovereignty.?

[Collor de Mello] I do not think that will be necessary. We cannot live with the predisposition to face possibilities such as the ones you mention. We must try to mediate in these questions, always seeking the unity of the nations in conflict today. We have to take our good offices to those countries to see that issues are discussed and solved through dialogue to prevent foreign intervention on our continent.

[Wagner] Wolfang Wagner from ADN.

What are your country's priorities in foreign policy?

[Collor de Mello] We have the traditional priorities of maintaining solidarity and brotherly relations with other nations. Brazil has always practiced a policy of closer relations—during the republican period— not only with its neighbors, but also with all other countries of the world. Today we can see that ideological barriers are falling, that all countries are seeking integration with the rest of the world. There is a need to seek the social well-being of our nations. This goal can only be achieved if we can establish peaceful and fruitful coexistence and strengthen our trade relations with all countries in the world.

[Ravares] Dora Ravares from JORNAL DO BRASIL

Mr President, your chief adviser on economic matters, economist Zelia Cardoso de Melo, has already said that recession is inevitable. Simultaneously, you will have to fulfill promises made during your electoral campaign: Both cost money. You were elected because you promised to improve the standard of living of the Brazilian people. My question is: In what form will this recession take?

[Collor de Mello] Our government program is very clear, very transparent. My program has already been made public, has already been discussed, and has already been completely analyzed by those who understand what the topic is about. Our economic program is based on the fact that the state cannot continue to interfere in the Brazilian economy. The state is inefficient, it is corrupt, and it is huge. It therefore does not have the required agility, mobility, or efficiency to fight the social ailments that affect thousands of Brazilian homes. This is why we must reduce the size of the state. This reduction will balance our public budget, and this in turn means that we will no longer have to resort to resources that will indebt us domestically or abroad.

Simultaneously, we must implement three indispensable reforms if we want to obtain the resources required to invest in the social area. We hope to promote a large-scale fiscal reform, a state holdings reform, and an administrative reform.

Through these reforms and the renegotiation of the foreign debt, we hope to obtain another $94 billion which will enable us to comply with our social area goals. We intend to reduce the possibility of recession to a minimum. We know that there may be a small recession, but we will do our best to prevent recession from making the Brazilian people's already tragic daily problems any worse.

[Rodrigues] Josivaldo Rodrigues from Radio Cultura. You intend to launch the Catch the Thief Operation and to open several administrative corruption trials. Do you intend to arrest ministers, and even President Sarney, if they are suspected of corruption crimes during this administration?

[Collor de Mello] The new administration does not seek to damage the people, it seeks the moralization of Brazilian institutions. I believe that we currently have to face three great problems that directly affect our people: inflation, corruption, and poverty. Therefore, corruption is on the agenda wherever government activities are discussed. We must encourage the people again to trust Brazilian institutions and officials. The only way to do this is to set examples at the highest levels of our society and to put an end to impunity, under which corrupt officials and robbers are sure that they will not be punished for their crimes because there will always be someone in the highest spheres of power to protect him and prevent justice from being done.

Thus, we must put an end to impunity. To do so we must prove to the Brazilian society that the new government will give absolute priority to the trials already started, and to those still to be started. Those found guilty will certainly be punished. We will not confirm people in posts merely because they are temporarily occupying government positions. We must fight this attitude because it is a bad example for coming generations.

[Golenkov] Vladimir Golenkov of TASS Agency.

Please comment on your foreign policies. I would like to ask you the following: We are witnessing great changes in the world, such as the detente and the rapprochement between East and West. The Soviet perestroyka and the democratization process in Brazil have brought about important changes in the relations between these two nations. How will your administration view the Soviet Union and other eastern countries?

[Collor de Mello] As long as we can cooperate with each other, I am certain that our relations will be more fruitful. The new administration will not be concerned about ideological matters or about past times when Brazilian relations with this or that country were strained. The new administration wants to promote economic growth, social welfare and social justice, and to distribute the Brazilian income better. Whoever wants to cooperate with us in this task will be welcome. The countries that offer us conditions to develop better and faster will be very welcome. I must add that Brazil will always try to cooperate with brotherly nations.

[Kuck] Claudio Kuck from GACETA MERCANTIL.

Mr President, a few months ago, when your economic program was announced, you told GACETA MERCANTIL that you expected to assume power on 15 March with an inflation rate of about 30 percent per month and foreign reserves of between $9 and $10 billion. Then you said that you would bring down inflation to 3-4 percent per month within 7 months. Well, today the picture is quite different: We have an inflation rate of more than 50 percent and the foreign reserves stand at about $7.0 billion. How do you see this new picture? How will you confront it? If the picture should worsen in the next weeks, would you accept an early inauguration?

[Collor de Mello] Look, in that talk I had with GACETA MERCANTIL, I said that we were working with various models. We were working with an inflation rate of 20 percent and foreign reserves of $10 billion, an inflation rate of 30 percent and foreign reserves of $11-12 billion, and also with the current dangerous, difficult, and challenging model.

We did so because we did not know how the economic policy would be conducted from that time on, so we had to work with several models.

We were also working with the current model and for this reason we are not wary of confronting the present difficulties. We are ready and prepared to face the current worrisome situation. Now, as for bringing forward my inauguration; I am radically opposed to it because I am radically in favor of complying with the Constitution.

The Brazilian Constitution rules that the inauguration of the President-elect must take place on 15 March 1990. I expect the Constitution to be textually followed and that, once and for all, we dismiss ad-hoc measures to adapt legislation to cover circumstances for momentary convenience.

[Kuck] Mr President, At that time you said that if the scenario were different, with an inflation rate of more than 30 percent, you would be inheriting a disaster. Do you believe that this disaster can be circumvented?

[Collor de Mello] I believe that it can be circumvented. We have this mechanism of monetary correction that serves as a cushion to avert a major disaster. Nevertheless, the situation is quite worrisome and I believe that we all must be aware of this. However great the problems, they must not overpower our will, our desire, or our determination to resolve them.

[Lemos] Tina Lemos from Radio Jovem Pam, Sao Paulo.

When you talk about streamlining the state, do you include the dismissal of public servants?

[Collor de Mello] I want to make sure that everyone does his share of the work. I believe that public servants who show up at the office only at the end of the month to pick up their checks do not deserve to be called public servants. If necessary, I will certainly fire people. I have no choice if it proves necessary. However, this is not what we want to do. We want to make sure that the state apparatus is efficient. To make it efficient we need hard work, dedication, and a willingness to work for the salaries drawn from the coffers of the national treasury. As long as this is done there is no reason for dismissals. However, if we find public servants who do not fulfill their duties, I will not hesitate to offer them the opportunity of seeking employment outside public service.

[Palmas] Ricardo Palmas from the Spanish news agency.

You will take over as president with an inflation well above 50 percent. Could you tell us what you plan to do to control inflation and to prevent the real value of salaries from falling even further in Brazil?

[Collor de Mello] Well, this has been clearly explained in our government program. Generally speaking, inflation is caused by a lack of control of the budget. If we were to look for the source of inflation, we will find it in the lack of budget control which makes the government spend more money than it collects. If the government spends more than it collects, it must find the money to cover the deficit from somewhere. The government can either issue money, which will have an immediate inflationary impact, or it can increase taxes, which are at an unbearable level and which cannot be increased, or it issues government bonds paying very high interest rates to make them competitive, thus balancing off its accounts. This also causes inflation because it effects the public deficit, which is one of the main sources of inflation in Brazil.

Thus, the problem is the lack of control of the budget, and we must balance the budget. We must spend only

what we collect, we cannot spend in advance. I have heard many administrations say this: we can only spend what we collect. Unfortunately this promise has never been fulfilled because of all the factors that prevented these intentions from coming true.

Therefore, we must seek to balance our budget. To accomplish this the state must cut back its expenditures, become more efficient, cease its interventionist activities, and go into partnership with the private sector. The state must create conditions allowing private enterprise to invest in areas which so far have been monopolized by the state. One such example is the generation of electric energy. We will require $35 billion over the next 4 years to prevent an energy collapse. Communications, railroads and many other sectors are also to be considered. Thus, we must go into partnership to obtain the necessary savings to fund these investments aimed at preventing an undesirable recession from hitting the country.

Thus, our main goals are a balanced budget and the tax, property, and administrative reforms that I have already mentioned. These reforms will allow us to reduce inflation to the level set in our government program, namely, 3 percent per month over the next 18 months.

[Filho] Expedito Filho, from the magazine VEJA.

Mr President, during your campaign you said that you would not talk to the military ministers out of fear of placing yourself under their tutelage. As the campaign rolled on, you appeared to give up the idea of merging the three military ministries into just one. My question is: Are you afraid of the military men? What kind of relationship do you plan to have with them from now on?

[Collor de Mellor] I did not say quite what you claim. I said that my candidacy, having been born spontaneously from Brazilian civilian society, does not allow any kind of tutelage, not me and not my candidacy. As everyone knows, I am completely independent and not under any tutelage, no tutelage at all.

I am not afraid of any tutelage because it does not form part of my way of thinking.

[Filho] However, what...

[Collor, interrupting] I am not...I am not afraid of making contact with any sector of the Brazilian society. I believe that the role of the Armed Forces is clearly outlined in our Constitution. Just as I will abide by our Constitution, I expect everyone else to abide by it. I have no doubts whatsoever that the Armed Forces, especially taking into account today's maturity and awareness of their role in the life of the nation, will abide strictly by the Constitution.

[Cordeiro] Marcelo Cordeiro, from the Globo Radio Network.

You have said, Mr President, that your government program includes certain measures that will be implemented immediately after your inauguration. These measures will require congressional support because your party has very few congressmen. However, you have refused the support of politicians, especially right wing politicians who wanted to support you in the runoff elections, and who did indeed support you. How do you expect to obtain congressional support if you refuse this support from the right wing and naturally, you cannot count on the support from the left?

[Collor de Mello] Brazil, and not the president of the nation, will require this support. This is a part of the democratic process. I have no doubt that the National Congress today has a key role to play in this difficult phase of the nation's life, just like that of the executive and the judiciary branch. I have always said that the task ahead of the new president, irrespective of who he may be, would be enormous and that he and his party alone would not be able to overcome all the difficulties. I also said that it would be necessary to build national unity and to reach a broad national agreement. Thus, I am fully convinced that the National Congress will not fail Brazil at this time. Brazil, and not the president, is at stake here.

Therefore, if a president has been elected on a clear-cut government program, which clearly outlined the projects, and this program was approved, Congress has all the necessary tools to play a practical, solidarity role because 35 million Brazilians have voted for a proposal, for a government program. Congress is the sounding box of popular expectations and it can never go against these expectations. Thus, I believe that the maturity of politicians, especially those now in Congress, will allow us to make the necessary reforms. Beyond supporting the president, they will be supporting Brazil, Brazil's future.

[Cordeiro] Just to round off my question, I would like to know, Mr President, what negotiations are currently underway to obtain congressional support?

[Collor de Mello] We are trying to establish a supraparty bloc within the National Congress, a bloc that will provide support for the new administration. So far we have had no obstacles for this to come true within a few weeks. I have been very well received by the politicians. I have perceived a very strong sense of responsibility among members of Congress to cooperate and to overcome the difficulties that face Brazil.

[Medeiros] Jorge Medeiros from Associated Press.

Going back to foreign relations, could you use your policy of integration with Argentina and other indebted countries. Is the Group of Eight really a useful instrument for Brazil? Will you try to form a debtors' club to pressure the creditors?

[Collor de Mello] I believe that we have some points that I consider fundamental in foreign policy. One of them is Latin American integration; this is a dream we have been

pursuing for some time and I believe the conditions are now good, or even excellent, to achieve this integration. It will naturally be initiated in the Southern Cone.

The second point would be Brazil's integration into the First World. Within this economic program, we propose that the competitive integration in the world market should be pursued. We need a very good relationship with Europe because Brazil is a reflection of Europe, right? Our origins are there, and our cultural and political relations with Europe have always been emphasized here. Regarding Europe, once their market is fully integrated in 1992, and without any protectionist restrictions, I expect Brazil to be able to use the door of a friendly country, like Portugal, to enter this market. This integration with Europe is fundamental, in my view.

The third point refers to the foreign debt. No doubt, the international financial system is quite aware today that Brazil's debt, and also that of the Third World, cannot be repaid in the terms in which they were contracted. We have already had some examples in recent negotiations with other countries that lead us to believe that a broad renegotiation of this debt, without any unilateral measure and complying with the rules of the game, is possible, although negotiations have to be vigorously conducted and the national interest intransigently defended. I believe these three points will give you an idea of our foreign policy.

[Medeiros] Jorge Medeiros from ASSOCIATED PRESS.

Can Latin America unite and create a bloc to negotiate?

[Collor de Mello] It can, but I do not think it will be feasible because each country will try to renegotiate in its own way. Each country has its own situation, its own circumstances, and economy. Even though it may be a good idea, it will difficult to reach an accord for collectively negotiating the Third World debt. I believe that the debt negotiations will continue within the existing guidelines.

[Ferreira] Taisa Ferreira from CORREIO BRAZILIENSE.

Mr President, in the labor sector, one of your campaign promises was to appoint a labor leader to the Labor Ministry. If the promise is to be fulfilled, a CGT [General Federation of Workers] leader will be designated to this ministry because the CGT has supported you. CGT President Rogerio Magri has been considered a possible candidate. The CGT is the traditional adversary of the CUT [United Federation of Workers], which is the largest labor central and which has said that relations with the new government will be difficult. Will you risk making relations with the CUT even more complicated, or will you forget your electoral campaign promises?

[Collor de Mello] I will not forget my campaign promises. I will not forget any campaign promise. In addition, I did not say that the post would go to the CGT. I said that at the beginning of my term a union leader, one who is committed to our program in the labor sector, would be appointed minister. We want to rebuild labor relations in Brazil. My grandfather Lindolfo Collor, as some people know, was the first labor minister. He founded the Labor Ministry, wrote the labor code, and sowed the seeds of the social security system. Therefore, our family has traditionally maintained that the integration of the labor class is a responsibility of the federal government. Consequently, I will designate a union leader to the Labor Ministry committed to our program of government and who obviously concurs with our proposals for rebuilding labor relations as a whole. I do not know whether I will designate a member of one of those two labor centrals, or if the minister will be from another. All I know is that a union leader will represent the interests of the working class at the Labor Ministry.

[Ferreira] To avoid friction with the CUT, however, will you designate a person who does not belong to the CGT?

[Collor] I have not said that it would be a CGT member. I could name anyone from any of the three workers federations. There are no reasons for friction among the different groups. No one can feel left aside if the labor minister comes from one specific sector. In a democracy the majority rules with the support of those who support their proposals. We have to recall that these proposals were approved by a majority of the people.

[Galan] Michel Galan of AGENCE FRANCE PRESSE.

When you were the governor of Alagoas, your relations with sugar mill owners caused a controversy among your electoral adversaries. Today, alcohol fuel is scarce because the sugar mills have chosen to export sugar at high prices and have thus endangered the pioneer Brazilian alcohol fuel program. We have to recall here that the United States is studying the possibility of using alcohol in place of gasoline to combat pollution. What is your answer to this problem? Will you subject production to the laws of the market and thus force Brazilians to spend 35,000 to 40,000 cruzados to transform their vehicles to use gasoline, or force them to pay more for alcohol than for gasoline, or will you encourage state intervention—which you opposed during your campaign?

[Collor de Mello] Perhaps you do not know that alcohol production in the country is a state monopoly. If sugar mills are exporting sugar it is because the government has authorized it. The industry is entirely regulated by the state. This kind of problem always occurs with state-owned enterprises.

Alcohol will be scarce. This is very serious. We need to find a solution, but the market has already adapted to the problem. Today 95 percent of all cars manufactured in Brazil are made to run on gasoline, as compared to a few years ago when the opposite was the case. In no way can we do away with the alcohol program because it must be included in the country's overall energy program. This program required many millions of dollars in investments and it has provided us with new technologies and

know-how. We cannot abandon this program overnight because the damage would be enormous. I think that we can combat the scarcity of alcohol and prevent the loss of this very important alternative energy source.

If we reduce the role of the state in the making of economic decisions we will help the market solve the problem and we will help consumers.

[Carneiro] Tereza Carneiro of Bandeirantes Radio and Television.

You have just said that you want to prevent a recession but you did not say how to prevent it. How can you increase salaries, lower inflation, and promote development? What short-term measures will you implement? After you achieve a better distribution of income, who will pay the bills?

[Collor de Mello] One of my reform proposals, the proposal on fiscal reform, states very clearly that we will persecute tax evaders, speculators, profiteers, and those who are making a fortune out of inflation. No other country in the world offers a return of 50 or 60 percent per year. No business anywhere offers the profit our financial system is offering today. We will make them pay for our investments in social programs. These resources will soften the recession that is being announced and be used to alleviate our already difficult day to day living.

We want to reduce the possibility of a recession, and to this effect, we will resolutely promote these reforms in the fiscal, state withholdings, and administrative areas.

[De Cassia] Rosanna de Cassia from Radio Eldorado of Sao Paulo.

I would like to know this: Your campaign speeches were not much different from the current government position regarding public expenditure and streamlining of the administrative machine. I would like to know how you will attain that without a congressional majority or interfering with the Constitution?

[Collor de Mello] That has already been answered. But there is a fundamental difference between the current government and my government, a difference in stance, determination, will, courage, and authority to face those difficulties. I believe that my speeches are being put into practice, and I am fulfilling my commitments. I will fulfill all the commitments that I assumed.

[De Cassia] Even if you only have a minority in Congress?

[Collor de Mello] This matter of a minority was pointed out...[changes thought] There is a notion in the honorable Congress that its support and solidarity will not be behind the person of the president, but it will support and grant solidarity with Brazil. All of us have the responsibility to consolidate the democratic process. We must. I do not mean the future government alone, because from the beginning I have said that it will be necessary, imperative, to implement a policy of national unity and understanding if we are to overcome these difficulties and resolve the problems, setting aside ideological, partisan, and especially personal questions. We must do this because Brazil is at stake. Brazil demands unity from its people behind a proposal of national reconstruction, and Congress is clearly aware of this. In the talks we are holding we can clearly see this feeling in Congress, a feeling of solidarity—not with a person, but with the measures of the new government that have been approved by the majority of the Brazilian electorate.

[De Cassia] Mr President, I would like to clarify one more point: These will be unpopular measures just before the elections for state governors and the legislative branch. Will you attain your purpose, Sir?

[Collor de Mello] I would not say that they are unpopular measures because salaries will be maintained and social policies will be vigorously implemented. So I would not say that the measures are unpopular for the majority of the Brazilian population, let alone for the country's workers. The measures will be unpopular for the sharks, for those who I have already mentioned—the tax evaders, the speculators, the profiteers, those who took excessive advantage of the country's difficulties. They must indeed must be worried. For these people the measures will be unpopular.

[De Cassia] And the public servants who may eventually be dismissed?

[Collor de Mello] I have already spoken about this. I do not intend to dismiss public servants. My intention is to put them to work. In my government, everybody has to work. There will be no one who will report to the office at the end of the month to receive his paycheck or who will only work 2 hours per day when he should be working 6-8 hours as required. These people, no doubt, will be invited to leave because they cannot be consider public servants. Being a public servant presupposes working to earn a salary.

[Gianinni] Humberto Gianinni from the Italian news agency ANSA.

Mr President, let us go back to the Brazilian foreign policy. You and the Brazilian news media have stated that Brazil will strengthen its relations with the EEC, Japan, and the United States. My question is: Will this be accomplished at the expense of Third World countries, considering the Brazilian Constitution calls for Latin American integration?

[Collor de Mello] Absolutely not. I have already said here today that one of the priorities of our foreign policy is Latin American integration. I also said here that conditions are good or excellent for launching this integration. This integration should naturally begin in the Southern Cone where there are clear signs that this integration will yield results. Improving relations with the EEC, Japan, and the United States does not mean that we are prepared to neglect the good relations we have always

maintained with Latin America and of other Third World countries, for example those of Africa.

[Garcia] Alexandre Garcia from Rede Globo Television.

Mr President-elect, when you began your electoral campaign, the vast majority of the Brazilian people were poor. The end of this campaign finds this vast majority even poorer, and by the time you assume the government we Brazilians will be even poorer. Salaries fall shorter and shorter of the end of the month. Successive administrations have built up the people's hope through a paternalistic approach to state affairs. Since you plan to reduce the state apparatus, will this paternalism also decline? The IBOPE [Brazilian Public Opinion and Statistics Institute] surveys show that most of your constituency came from the ranks of the poorest Brazilians. What do you plan to do to help this vast majority of Brazilians that are getting poorer every day?

[Collor de Mello] We cannot begin to think of a way of setting up a just and fair salary policy, we cannot begin to imagine how to resolve the lack of food on the table of the most needy people, or to remedy the lack of health services, housing, and other needs with the current rate of inflation.

The best way to improve the situation of the vast majority of the Brazilian people who go hungry, who cannot get medical care, who have no right to education, who have no hope, is to drastically attack inflation. This is what we plan to do. We plan to cut down inflation to bearable levels until we can annihilate it once and for all.

Success in the struggle against inflation will automatically increase the purchasing power of the salaries and automatically improve the standards of living for a vast majority of all Brazilians. We will then have the means and the funds to tackle a long-term social policy. With inflation at current rates, any such undertaking is absolutely out of the question.

Thus, as I have told you there are three major problems in Brazil and we must firmly and decisively tackle them from the very first day. These problems are: inflation, corruption, and misery. If we do not succeed in our struggle against inflation, we will not be successful in any other policy, be it social, salary, or any other field of action.

[Garcia] How will you treble the minimum wage?

[Collor de Mello] It will take 5 years to treble the real value of the minimum wage. We hope, more still, we are confident that our program, if implemented and managed competently, will allow us to raise the minimum wage to this level that we have set for ourselves in our government program.

[Oliveira] Alcir Oliveira from Radio and TV Guaiba and the newspaper CORREIO DO POVO. Brazilians are becoming more fearful of going out on the street because of the rising crime rate and the kidnappings that have become almost routine. What practical steps do you intend to take to reestablish security and tranquillity for all Brazilians?

[Collor de Mello] This brings us back to the matter of impunity. An atmosphere of impunity prevails in Brazil. Brazilians do not have any protection. We can see this at the most insignificant level. When somebody steals our watch or briefcase on the street, the victim of the robbery does not know what to do. He wonders if it is worth going to the police station to report the robbery. Sometimes the victim goes to the police station and the robber is caught, but in 3 days he is back out on the streets.

The same thing happens when a house is burglerized. People get robbed in their homes and they are afraid to report it because maybe the robber will get caught and released shortly after and will come back to take his revenge. This is all part of the lack of protection.

When somebody is charged by a prosecutor, they usually accept the charges because they have no one to appeal to. There is a lack of protection in this country because their is no authority. The government lacks legitimacy.

Because of this, we are all left to our own devices and to the law of the jungle. The people who can afford it get together and hire private security guards. Thus, Brazilian society is slowly sprouting ghettos that have their own laws, their own rules, and their own code of behavior. This implies the collapse of the state, of authority, and of the institutions.

We must endow the president of this nation with power backed by popular vote. A big step has already been taken by holding these elections. From there on, the president will be bound to prove himself worthy of this trust and to govern so as to put an end to the atmosphere of impunity through examples rather than words.

Now we must talk about another aspect of the court issue. Today our courts have no help, no funds, no means to effectively curb this wave of violence which, by the way, reflects the social situation of the country.

There is violence in the streets and also at the soccer stadiums. Is it caused by human conditions? Are Brazilians naturally violent? No.

The Brazilian population is only reacting to a situation of chaos, a situation of hunger and misery in the country.

We need a series of measures in various areas to create better living and working conditions. We need the cooperation of the judicial system and the small claims tribunal. We need better training and equipment for our police forces. We need to combat inflation effectively and to look at the basic need of Brazilians. In sum, we need a series of measures to create a climate of social tranquillity because our society today lives tormented by problems.

[Oliveira] Do you intend to implement those measures?

[Collor de Mello] I will implement them without a doubt.

[Beldinskiy] Sergey Beldinskiy of the Soviet Union State Radio.

Mr. President, the issue of the preservation of the Amazon region has caused considerable repercussion in the world. How do you intend to treat the issue in terms of the ecology and international policy?

[Collor de Mello] A commitment to preserve the environment is a commitment with life itself. This is why we included in our platform a very special topic on the ecosystem. I met with different heads of state during my recent trip to Europe and we discussed three main topics: the foreign debt, Latin American and Brazilian integration to Europe, and the ecology. The issue of the Amazon region's ecology was hot in those countries then. A group of people wanted to link the issue of the Brazilian foreign debt to the issue of the Amazon region. A Brazilian official even signed a protocol with representatives of the U.S. Government to that effect. The linking of these issues is absurd. The proposal wanted to exchange one million hectares of the Amazon region for $1 billion in foreign debt, as if the Amazon could be exchanged like a bunch of bananas or pineapples in the marketplace.

I think each country must clean its own house. This problem affects the entire world but each country must clean its own house as a matter of sovereignty. Brazil cannot accept being placed on the bench of the accused as a provoker of today's environmental problems. Brazil is not responsible for the acid rains on Canadian forests. Brazil is not responsible for the acid rains on the coasts of Sweden and Denmark. We are not responsible for the climatic changes due to atomic explosions. We are not to blame if the world has an environmental problem because of carbon dioxide. Each country has to assume its responsibility and help to solve this very serious problem.

So I took a proposal, one that was originally made by Professor (Samuel Benchimon), to those chiefs of state. The proposal called for an international tax on pollution. It would then be up to the UN to institute that tax and to collect it from each country. Many dollars would be received from any country that released into the atmosphere tons of toxic gases, for instance. These resources would constitute a fund to be invested in countries that demonstrate concern with environmental preservation and the recovery of areas that have affected by pollution. I believe that this tax would in some way provide a profile of countries that are polluting, and countries that are not polluting the atmosphere. This does not mean that Brazil does not understand that within its territory it is necessary to adopt effective and vigorous measures to prevent further deterioration of its environment, not only in the Amazon forest but also in the (Jure) and the Atlantic forests and the Mato Grosso swamps. We have the obligation to preserve these areas. Now, it is not possible to control an area of 280,000 square kilometers with just 70 forest guards to avoid further damage to the Mato Grosso swamps, for instance. There must be a political decision by the government to keep that from happening. Brazil, during my stewardship, will not shirk its duty to resolve its problems with responsibility for the environment and the rest of the world.

[Chagas] Helena Chagas from O GLOBO newspaper.

Mr President, you have just said that you are radically against bringing forward your inauguration, however, there are clear signs that the economic crisis is rapidly getting worse as 15 March draws near. Wouldn't that worsening of the situation force you to accept cooperating with the Sarney Government until the date of your inauguration in order to avert the worst—that is, hyperinflation? Would you discuss emergency measures for that period?

[Collor de Mello] The responsibility of the government-elect—its responsibility to manage the affairs of the state—will begin on 15 March 1990 when the President that was elected on 17 December assumes power. This is determined by our Constitution, and our Constitution cannot be sidetracked to suit circumstances, be they difficult or not, be they hurtful or not, be they gratifying or not. It is of fundamental importance that constitutional provisions be adhered to. I expect that this constitutional provision will be respected and that the transfer of power will take place on 15 March 1990.

[Manzolilo] Vera Manzolilo from the DINHEIRO VIVO News Agency.

The measures you intend to adopt to prepare for your inauguration include a plan for adjustment of the economy. How long do you believe it will take to bring inflation under control and the economy back on its feet?

[Collor de Mello] Immediately after the new government assumes power we will feel the positive effects of that program. We will also feel the effects of the credibility of a government legitimized by the popular vote. Our inflation contains what is known as inflationary expectation. This component is related to society's mistrust of the government in power. This is true. As soon as that mistrust ceases, that component which accelerates the inflationary process will cease and, consequently, inflation will decline accordingly. The measures we will take right away should usher Brazil into a new era when it will begin to coexist with a much lower rate of inflation. As our program anticipates, we expect to stabilize inflation over a period of 18 months at a level no higher than 3 percent per month, and possibly at a level well below that.

[Chagas] Do you have an idea of how long it would take for inflation to start falling?

[Collor de Mello] During the first month of my government, the rate of inflation will be considerably lower than at the time we take over.

[Greenless] Andrew Greenless from the newspaper FOLHA DE SAO PAULO.

Mr President, we know that according to the Brazilian Constitution, there must be a plebiscite in 1993. At this plebiscite, Brazilians will choose between the presidential and parliamentary systems in the country. While campaigning for president of the nation you said that you were favorable to the parliamentary system. At this first press conference since your election, are you undertaking to work for the establishment of the parliamentary system in 1993?

[Collor de Mello] This would not be the first time, I must have held at least 20 news conferences to discuss this issue. I am a supporter of the parliamentarian system. I am committed to this system and I have no doubt that I will be the president who will carry out the change from presidential to parliamentary system in this country. We will strictly abide by the Constitution, which indicates that the Brazilian people must be given the opportunity to decide by means of a plebiscite on the system that they want for Brazil: presidential or parliamentary. Especially so since my commitment is to the system which I have always supported, the parliamentary system.

[Greenless] This means that you will take to the streets to campaign in favor of the parliamentary system?

[Collor de Mello] If it is part of the duties of the president to do something like that, I will not hesitate to do it.

[Lucareski] Angela Lucareski from Radio Confidencia.

Mr President, 35 million Brazilians agree with your program, however, slightly over 31 million Brazilians are, or have been, in favor of the program of the Brazilian Popular Front [FBP]. How do you plan to draw to your side those 31 million Brazilians? Do you propose to invite the FBP for talks, and what will be your reaction to strikes?

[Collor de Mello] Strikes are a constitutional matter and I will respect the Constitution. My proposal for national unity does not exclude anyone. This invitation includes them. I do not exclude any Brazilians. Although I have been elected by 35 million Brazilians, I will be the president of all Brazilians as of March next year.

I have no doubt that I will have the understanding and the solidarity of all Brazilians because Brazilian problems are not the problems of the elected administration, but of the Brazilian society as a whole. Therefore, I believe that all those who want to cooperate with Brazil should participate in this undertaking. We must make this very clear: It is not a matter of cooperating with the legitimately elected administration. Above and beyond anything else, one will be cooperating with Brazil—which needs us to set aside petty issues and to work to resolve this crisis which affects all Brazilians and not just the government.

Thus, my proposal for national unity includes everyone. Now that the elections are over there are no victors or losers. What we have is a distressed nation which wants to solve its problems. These problems will have to be resolved in a solidary manner by all Brazilians irrespective of partisan, ideological, or personal considerations.

[Lucareski] Will you contact members of the Brazilian Popular Front?

[Collor de Mello] We have already talked with PRN [National Reconstruction Party] leader Deputy Hernan Calheiros. He is in charge of arranging meetings with coalition members. Perhaps later we can arrange for him to talk with you on what he is doing.

[Cornier] Jean Cornier of LE PARISIEN. A century ago Deodoro da Fonseca came from Alagoas to proclaim the Republic. He forecasted that we would have to wait 100 years to see another Alagoan become president. What do you think of this prediction?

[Collor de Mello] I come from Alagoas, but I have not heard the prediction before. I never knew that Fonseca said that.

[Cornier] What are your main concerns at this time?

[Collor de Mello] My main concern at this time of national crisis is the climate of misery in which millions of Brazilians live. The reality is that Brazilian development in the past two decades has resulted in a concentration of the national income. This has weakened the internal market, increased the regional differences, and increased the privileges of the privileged class. In Brazil today, 1 percent of the national wealth is in the hands of...[changes thought] that is, 70 percent of the national wealth is in the hands of 1 percent of the population. The figure is clear. This situation cannot continue. This is the great challenge: The redistribution of incomes, the establishment of a salary policy capable of allowing workers to earn a good salary, and above all to provide society with the public services it needs. This is the challenge we have to confront. We will succeed if we successfully fight inflation.

[Chagas] Carlos Chagas of Rede Manchete.

Your advisers have been saying that you will launch a campaign to catch all wrongdoers. You have already announced that one of your first government acts will be to eliminate the SNI [National Service for Intelligence]. Will you order an inquiry into the activities of the SNI during the dictatorship to investigate the complaints of telephone censorship, special operations, murders, and other similar acts?

[Collor de Mello] Regarding the SNI, I have to admit that my 5-year term will be too short to investigate all the mistakes committed by this institution. It is sad but true. I want to recover the trust of the Brazilian citizens in their authorities and their institutions. I want to end the climate of impunity.

Within this framework, we will not permit the trials that are underway—investigating corruption or wrong use of public funds—be suspended. I also wish to speed up the

investigation of some of those trials that have been left in desk drawers for the convenience of some officials.

Above all I want to do away with the climate of impunity; to the extent that the corrupt will know that he will be punished when he acts improperly. He will thus be dissuaded and we will have taken an important step in the fight against corruption because we will be attacking the problem at its roots.

[Chagas] Mr President, regarding the files of the SNI [National Intelligence Service], do you intend to have them burned, or will you save them?

[Collor de Mello] They will be open. It will not be necessary to go to court for any citizen to obtain papers from the SNI files. I believe that it is fundamental for Brazilian society, particularly those who have had their life history recorded, to have the right to go there and withdraw those papers—whether to destroy them or to keep them for personal reasons.

[Nascimento] Luis Carlos Nascimento Silva from the AGENCIA BRASILEIRA DE RADIOJOURNALISM.

Cases like those of Carlinhos, Pedrinho, Thais, Ana Lidia, Rubens Paiva, and others like the Rio Centro and Volta Redonda [not further identified], have practically all been shelved away or unresolved by justice. You have defended, up until now in this news conference, an end to impunity. During your government, do you intend to re-open all these cases? Will this be your Justice Minister's first measure?

[Collor de Mello] That will depend on an evaluation of the cases that were closed by justice because some culprits were found. Now there remain some doubt as to whether all the culprits were duly punished or whether those punished were the real culprits. These cases were closed, but the directly interested parties will be able to request that they be reviewed. My justice minister will be willing to see that those requests are immediately satisfied.

[Nimin] Yang Nimin from the XINHUA Agency. According to a dispatch from the ANSA Press Agency, on 20 December your press adviser Mr Claudio Moerto said that you will visit Asia and the countries known as the Tigers of Asia. I would like to know if you plan to visit Taiwan, which is in fact a province of the PRC; I would also would like to know if your government will continue with a commitment that was included in the communique establishing diplomatic relations between the two countries that Brazil recognizes the government of Beijing as the only and legitimate representative of all China, and will not pursue official relations with Taiwan.

[Collor de Mello] That trip is only tentative. We do not yet have anything definite as to if or when it will take place. This is in the hands of our office and whenever we have anything definite, I will let you have the information.

[Nimin] I would like to know if your government will continue to comply with a commitment established in the communique establishing diplomatic relations between Brazil and the PRC that Brazil recognizes the Beijing government as the only and legitimate representative of China, and that it will not develop official relations with Taiwan.

[Collor de Mello] I have not yet analyzed that situation, so I am unable to say how our diplomatic relations will be, but I believe that our foreign policy will continue along the same course as now, because there is no particular reason why it should be changed in the coming years.

With this answer to the correspondent for the XINHUA Press Agency, this news conference is closed.

Resource Satellite To Be Built With PRC

PY2612154889 Rio de Janeiro O GLOBO in Portuguese 21 Dec 89 p 30

[Text] Sao Jose dos Campos—By the end of this month, a group of 21 scientists and technicians of the National Institute of Space Research (INPE) will join the teams that are developing in the PRC the first remote-sensoring satellite—which is being developed to meet the specific needs of the Third World. They will spend 2 months working at the PRC Academy of Space Technology in Beijing.

According to Cesar Celeste Ghizoni, the manager of the PRC-Brazilian satellite program, the scientists will return to Brazil bringing the final specifications of the equipment and the sub-systems that will be manufactured in Brazil.

The Sino-Brazilian satellite is the first to be developed to remote-sensor natural resources in under-developed countries. The two satellites which are commercially used at the present time—the French Spot and the U.S. Landsat—produce high-resolution pictures. To cover large areas they take a large number of photographs, which is very expensive.

For this reason, the Sino-Brazilian satellite will have three main sensors. The first high-resolution camera will be able to "see" objects on earth that are more than 20 meters in length or width (similar to that of Landsat); The second will "see" items bigger than 80 meters, to meet most needs; The third, which will "see" items bigger than 260 meters, was planned to meet the needs of large countries—such as Brazil and the PRC—or to observe and research resources in large homogeneous areas like the tropical forests.

The launching of this satellite has already been held up for 15 months due to the delay in payments of the Brazilian share. The INPE is again facing difficulties and will need to quickly obtain the $6 million that falls due this year.

By participating in this cooperation program, Brazil will spend $100 million to have two satellites ready for launching by the PRC Long March rocket. According to Ghizoni, the participation in a similar program with any western country would cost at least $300 million. Moreover, Brazil will control 30 percent of the overall program and will be able to manufacture and sell ground stations for reception of video signals.

* BC Sees Possible Solution to Internal Debt

90ET0043A Sao Paulo VEJA in Portuguese
1 Nov 89 pp 5, 6, 8

[Interview with BC president Bucchi by Luiz Roberto Serrano; date, place not given; first two paragraphs are introduction]

[Text] What would any person think of a neighborhood bakery if the establishment changed ownership six times in less than 5 years? Well, the Central Bank, an institution much more complex than a bakery, and which has the strategic task of maintaining the value of the nation's currency, has had six presidents during Jose Sarney's administration. In consecutive order, the following citizens have headed the Central Bank [BC] before its current chief: Antonio Carlos Braga Lemgruber, Fernao Carlos Botelho Bracher, Fernando Milliet de Oliveira, Francisco Roberto Andre Gros, and Elmo de Araujo Camoes. The last, Elmo Camoes, a personal friend of Sarney, was toppled on the brink of a scandal—the Nahas case, with which his administration was linked. The sixth president, Wadico Waldir Bucchi, who ends the list, had been director of the banking sector of the bank since 1987 and was nominated in an interim capacity to replace Camoes. Sarney decided to make him effective president and submitted his name to the Senate. Bucchi was questioned by the senators in a 4-hour session, during which he was asked questions related to his activities at the bank.

This is what is new. For the first time a Central Bank presidential nominee has been subjected to an approval process of this type. It was a system similar to that used to approve the president of the Federal Reserve, the American central bank in the United States—an official who has autonomy vis-a-vis the government in Washington to act freely upon U.S. economic policy. It is not likely that the president of the Central Bank of Brazil will come to have as much freedom as his American colleague, but with the backing of the Senate his radius of activity will have been enormously expanded. "The bank, with autonomy, will play a fundamental role in stabilizing the economy, which the next government should promote," says Bucchi. Following are some of his ideas.

[VEJA] While a powerful multinational like IBM has only had six presidents since its founding in 1914, you are the sixth president of the Central Bank in less than 5 years of the Sarney administration. How do you feel about that? Doesn't that instability weaken the bank, and impede its activities?

[Bucchi] The lack of administrative continuity is bad in any sector. It is much worse in an institution like the bank, which is responsible for actions that affect all society. One example of the damage caused by that discontinuity is a statement by Paul Volcker, former president of the Federal Reserve, the American central bank. He said that he had negotiated the foreign debt with five different presidents of the Brazilian Central Bank and that he never knew the name of the next one that would sit at the table. He was president of the American central bank for two consecutive terms, that of Jimmy Carter and that of Ronald Reagan. Volcker really had autonomy. The truth is that a high level of instability in its administrative posts makes the bank lose efficiency in controlling inflation.

[VEJA] Does the fact that you are the first president of the Central Bank to have been referred to the Senate give you more power than your predecessors had?

[Bucchi] The Senate's approval turned the nomination into a more transparent process for society. I was interrogated by the senators on a broad range of topics before being approved. Done in that manner, the approval gives the president of the bank Senate backing for his plan of action.

[VEJA] The candidate favored by Minister of Housing Mailson da Nobrega for your post was Secretary-General of the Ministry Paulo Cesar Ximenes. Does that make your relationship with the ministry more difficult?

[Bucchi] No. Minister Mailson presented President Jose Sarney a list of three names: Ximenes, myself, and Minas Gerais Secretary of Housing Luiz Fernando Wellichi. My relationship with Ximenes has always been very strong, even before our names were placed on the list of three. In truth, there has been a strengthening of the relationship between the ministry and the bank, since we are very good friends and we respect each other both technically and morally.

[VEJA] The Ministry of Housing's economic policy is in a holding pattern until the next government. Do you intend to follow the same orientation at the Central Bank?

[Bucchi] In the short term we have to prevent inflation from entering into a more accelerated phase. Our efforts, together with that of the Ministry of Housing, are aimed at devising a policy to support real interest rates, follow the financial markets, intervening when necessary, and administer the foreign exchange reserve policy. Our task is to monitor all that until, in a few weeks, the democratic transition process with the election of the next President of the Republic is concluded.

[VEJA] Incidentally, you are 38 years old, and therefore even though you are the president of the Central Bank you have never voted in a presidential election. How do you feel on the eve of this event?

[Bucchi] No, I have never voted. And I am very happy to be able to vote now.

[VEJA] One of the problems that the next president will face is the internal debt. To resolve it, will he have to declare insolvency, as many fear?

[Bucchi] Of course not, that is nonsense. The internal debt is relatively low, it represents one-fifth of the national GDP [Gross Domestic Product]. In the case of Brazil, for each new cruzado of debt the country produces wealth equivalent to 5 new cruzados. In the case of Italy, for example, for each lira of wealth produced they have 1 lira of deficit.

[VEJA] But isn't the term structure of that debt very short? Isn't that very dangerous?

[Bucchi] In reality, the debt is concentrated in the overnight market, which means that it rolls over every day. That concentration is explained by the fact that there are many uncertainties in the economic and political arenas. Everything is happening as if the investors were waiting in the overnight market to see what will happen the next day.

[VEJA] How much money turns over in the overnight market?

[Bucchi] The overnight market rolls over an average total of $90 billion. The Central Bank has an equivalent amount in its own portfolio. The nation's public debt is comprised of 50 percent in the Central Bank portfolio and 50 percent in the market. The total debt, therefore, would be $180 billion.

[VEJA] Would it be possible to extend the term structure of that debt?

[Bucchi] It would be perfectly possible if the next president were to present, at the beginning of his mandate, a rational economic stabilization plan to fight inflation, and which would have the strong approval of the congress.

[VEJA] How could this extension be accomplished?

[Bucchi] At the time the stabilization program is announced, investors will behave in three ways. One group of investors will continue to apply their excess cash to the overnight market, the money that they need to keep for a few days to make a payment, for example. As a result of the elimination of uncertainty, another group will take their money from the overnight market and will direct it into productive investment. A third will continue to keep its money in federal bonds, but at longer terms. There had already been longer term bonds, such as the National Treasury Bonds, the NTBs, with a maturity of 5 years. That is a type of paper that serves the needs of pension funds, like an insurance policy, for which, after all, there is a market.

[VEJA] Should that redirecting occur rapidly?

[Bucchi] No. The future government will have to have a program for leaving the overnight market slowly and gradually. A program of stabilization requires that investors do not rapidly change the place where their money is applied. An uncontrolled change would be terrible, if only because the government would need to continue financing its debt.

[VEJA] What needs to occur to guarantee that that process is indeed gradual?

[Bucchi] As long as the measures of a fiscal nature that the government must adopt are not put into effect, that is, as long as the government does not succeed in reducing its deficit, it should continue to practice a policy of positive real interest rates. It is fundamental, to sustain that policy, that there be confidence in the new government, which would happen if it had an economic program with the support of Congress.

[VEJA] Where does the autonomy of the Central Bank enter into this process?

[Bucchi] Autonomy is fundamental for the bank to exercise its principal role of sustaining the currency. Before, the bank had an open window that made its work of sustaining the currency difficult. It was the creation of lines of credit, which generally arose from outside pressure, often from the congress itself, or from the administration, or from groups of society. These lines of credit were generally subsidized loans, whose resources were not anticipated in the budget. Their creation ended up requiring the issuance of money or bonds, which, in a second round, also required the issuance of money. Now the constitution prevents the creation of that type of credit line, which is inflationary.

[VEJA] Does that occur often?

[Bucchi] Between 1980 and 1987 some 30 lines of credit were created. I will give but one example. In the first half of 1987, the bank was required to attend to a legitimate aspiration of society, the solution for which came in an unexpected form. At the time, action was required to assist the micro, small, and medium businessmen, who were facing a very difficult situation because they had believed in the Cruzado Plan, had committed to a great deal of business, and did not have the resources to face the difficulties which the economy was experiencing. A feeling arose, supported by the government and by sectors of the congress, that it was important to find a solution to that problem.

[VEJA] But isn't it healthy that an economy have a strong segment of small and medium enterprises?

[Bucchi] I believe so. An economy becomes stronger if it has an abundance of micro, small, and medium enterprises functioning well. The United States is a clear example of how small and medium businessmen can give a push to a country. The cause was just. But what was the proposed solution? The creation of a line of credit subsidized by the Central Bank for those businessmen.

But who, in the end, financed the line of credit for the 100,000 businessmen who needed support at the time? It was society, we who pay taxes. It was the other millions of Brazilians who are not micro-businessmen. And for a very simple reason. The resources for the creation of that line came from issuing money.

[VEJA] What harm did the issuance of that money cause?

[Bucchi] Whenever money is issued beyond that needed to sustain the production of the country, inflation is generated. That line of credit was responsible for some small points in the rate of inflation. Is making all of society pay, in the form of inflation, a correct way of resolving a problem? From now on, we should try to resolve problems of that type in a transparent manner and within the true limits of our budget resources, which indicate the spending possibilities of the country.

[VEJA] There are presidential candidates who say that the Central Bank today serves the financial system instead of regulating it, as it should do. Do you agree?

[Bucchi] Since the approval of the new constitution that has not been true. In the past, subsidized lines of credit were created under the pressure of a broad range of sectors of society. Today, that is no longer possible. The lines of financial assistance of the bank are extremely expensive. A financial institution who comes looking for assistance from the Central Bank is going to have to pay dearly. That is a myth of the past that with time will collapse once and for all.

[VEJA] It is said that a decentralization of the Brazilian financial system is occurring. Is that true?

[Bucchi] The creation of multiple banks has made possible the appearance of an interesting phenomenon. Over the last 10 or 12 months many banks have arisen outside the Rio-Sao Paulo axis. Five new banks have been formed in Rio Grande do Sul alone. Others have been created in Minas Gerais, in Parana, and in the Northeast. There is a decentralization process.

[VEJA] There are those who say that there will be an excessive proliferation of banks in Brazil, because of that opening toward the creation of multiple banks.

[Bucchi] In the United States there are some 11,000 banks. In Brazil there are currently 104. Some fear that 2,000 or 3,000 banks will be created in the country and a general breakdown will occur. There are those who say that our objective, creating multiple banks, was exactly the opposite, that we wanted to close the system down even more. In practice, what occurred is what we expected. From 104 banks we are progressing, in the short term, towards 140. And all are beginning with new ideas, with well defined market niches. None of them are beginning like a Bradesco or an Itau, but there are institutions that have already opened their doors with 30 branches in the market. That is an extremely healthy process for the economy.

[VEJA] Don't the banks today have an excessive concentration of their money in the overnight market?

[Bucchi] They do, because that is the demand in the market today. But that does not mean that it will remain so. The banks are prepared and are capitalized to offer the products that are necessary for the recovery of economic development. The competitiveness in the financial sector is growing, which is also good for the market. Brazilian banks today only lend two and a half times their liquid capital and could lend up to 15, as do the large international financial institutions.

[VEJA] In the latest New York Stock Exchange crisis, the Federal Reserve injected $3.5 billion into the market to prevent the situation from evolving into a disaster. In the Nahas case, the Brazilian government did not release a cent. Is that a typical example of how what is good for the United States is not good for Brazil?

[Bucchi] In the United States there is a stock market with millions of buyers and sellers. There is absolute control of operations that exceed a certain volume limit. The Securities and Exchange Commission, the CVM [Securities Commission] of the United States, could forbid operations that lead to excessive concentration of paper in the hands of a few investors. Finally, there is a decentralized market that helped the United States develop the economy that they have. In the Nahas case, there was an excessive concentration of paper in a few hands. It is a totally different situation. Brazilian society would not allow the government to use its money to aid a few persons.

[VEJA] To what extent is the Central Bank independent today?

[Bucchi] We are still lacking a measure that will allow the leadership of the bank to acquire definitive autonomy. That is the definition of the mandate of the president of the institution and of its directors.

[VEJA] Do you have any suggestions regarding the length of time that the term should last?

[Bucchi] Personally, no. In Congress there are four plans that propose 5 years, not to coincide with the term of the President of the Republic.

[VEJA] Up to what point does the fact that the nominee for the president of the bank has to be approved by the Senate create a political dependency on the senators?

[Bucchi] It does not.

[VEJA] They say that your nomination was delayed in being approved because the southern senators demanded a solution for the case of the Regional Development Bank [BRDE], which has serious problems.

[Bucchi] What occurred was a difficulty in getting a quorum in the Senate for the approval of various questions, including the nomination of six ambassadors from Brazil for overseas. The BRDE case is being handled in

the Central Bank in accordance with the norms that regulate our intervention in regional financial institutions of that type. The bank, however, cannot provide resources beyond those technically allowed to aid the BRDE, if only because the current constitution forbids it from doing so. The truth is that on its own authority the Central Bank does not have any way of lending new money to the BRDE. Therefore, that version is not true.

Chile

Government Recognizes New Romanian Leadership

PY2612010289 Santiago Radio Cooperativa Network in Spanish 2200 GMT 26 Dec 89

[Report by Carmen Castro from Government House]

[Text] The Chilean military government decided today to recognize the Romanian Government and to continue diplomatic relations with that country.

The dramatic events that led to the execution of former President Nicolae Ceausescu and his wife Elena have been discussed around the world and Chile has also been observing the situation. Romania has maintained diplomatic relations with Chile for all these years. The official position was explained by Foreign Minister Hernan Felipe Errazuriz:

[Begin Errazuriz recording] The Foreign Ministry is following the events in Romania with great interest. This morning I had an opportunity to meet with the Romanian charge d'affaires in Chile, who requested that we maintain our relations with Romania. He also told us that the government of the National Salvation Front of Romania has established full control over the country. This is important for us. He also noted that his government will honor all of its international commitments and will try to bring a stop to all actions near various embassies that have been damaged as a result of those actions. [end recording]

The Romanian charge d'affairs discussed bilateral ties this morning with the foreign minister, who in turn discussed these matters with the chief of state, General Augusto Pinochet. The foreign minister announced the conclusions after 1400. They were also released later in an official statement, which indicates that the Romanian charge d'affaires today requested that Chile recognize his country's new government. The Foreign Ministry said that the Government of Chile, as per its usual practice, has communicated its desire to maintain the most cordial relations with the new Romanian government.

In light of this note, the foreign minister evaluated this Romanian phenomenon:

[Begin Errazuriz recording] The difference is that this collapse in Central Europe, this tumbling of the Soviet bloc in Central Europe, occurred this time with thousands and thousands of dead and tens of thousands wounded. This is obviously deplorable; nobody would have wanted it to happen. However, attempts were made to smash the Romanian people's desires for freedom and progress, which have been repressed for many years. [end recording]

For the foreign minister, no doubt, this phenomenon is the manifestation of very important changes in Western and particularly socialist Europe. These changes will undoubtedly have repercussions on international politics. He specifically mentioned the case of Fidel Castro, noting that even he has noticed the impact of these events.

Foreign Minister on Romania, Fidel Castro, Panama

PY2712000289 Santiago Domestic Service in Spanish 2200 GMT 26 Dec 89

[Excerpt] [passage omitted] Foreign Minister Hernan Felipe Errazuriz has made it clear that the Chilean community and diplomatic personnel in Romania are safe and sound.

The foreign minister also pointed out that the Cuban Government of Fidel Castro is the only one in the world, along with Albania, that has not understood that there are new winds of liberty and progress blowing. The foreign minister pointed out that it is quite normal for Fidel Castro to ignore this fact because he has been in power for the past 30 years.

Regarding Chile's relations with Panama, the foreign minister said that he is very satisfied that the situation is returning to normal in that country. He also said that it is a very positive sign that ships with Chilean exports will be able to resume normal use of the Panama Canal beginning on 27 December, as these ships had been held back.

Former Presidential Hopeful Creates New Party

PY2512122589 Santiago Domestic Service in Spanish 1030 GMT 25 Dec 89

[Text] The Errazuriz campaign headquarters has released a declaration stating that a new party, the Center Center Union [Union de Centro Centro], will represent all those who agree with what Francisco Javier Errazuriz represents.

The new political party defines itself as liberal in the broad sense of the word. According to its leaders, the Errazuriz command and the Center Center Union have rejected the support offered by the Socialist National Party or National Popular Party. According to the declaration, all those who want to leave the extremes can join the new party.

FPMR To Continue With Violent Policy

PY2712120689 Santiago Domestic Service in Spanish 2200 GMT 26 Dec 89

[Report by Raul Pena Thayer]

[Text] The Manuel Rodriguez Patriotic Front [FPMR] has issued a communique in which it announces its decision to continue its belligerence and its violence as its only tool to overcome the social problems.

The extremist organization points out that, in spite of the election victory by the opposition under Patricio Aylwin, the FPMR will continue its violence within its self-styled strategy for liberation.

The FPMR states that it will keep out of the system chosen by the majority of the Chileans in the recent elections and will continue its policy of revenge.

Like the Central Committee of the Communist Party of Chile, the FPMR insists on the abolition of the 1980 Constitution, trials for alleged human rights violations, the release of all those held for subversive or violent incidents, and its participation in the new government.

Brazilian Police To Investigate Terrorist Group

PY2612150089 Santiago Domestic Service in Spanish 0930 GMT 26 Dec 89

[Text] High ranking officials of the Investigative Directorate have linked the terrorist gang comprised of members of the MIR [Movement of the Revolutionary Left] who kidnapped the Brazilian millionaire (Abilio Dinitz), with the kidnapping of Chilean Colonel Carlos Carreno in September 1987 in Santiago.

The Chilean chief of the Investigative Police gave important information to the Brazilian police regarding this international gang following the visit, which concluded yesterday, of Brazilian Federal Police Chief Romeu Tuma to Santiago.

According to FOLHA DE SAO PAULO, the Chilean police have said that five of the Chilean citizens who are under arrest in Sao Paulo are MIR members and the gang head, the Argentine national Humberto Eduardo Paz, had participated in the attack on the La Tablada regiment in Buenos Aires last January.

Colombia

UP Says No Conflicts With Communist Party

PA2612155289 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 18 Dec 89

[Text] There is no confrontation between the Patriotic Union [UP] and the Colombian Communist Party. Spokesmen for the two parties agreed that they will support the presidential candidacy of Bernardo Jaramillo.

Similarly, the spokesmen of the two leftist parties said that UP Secretary General Guillermo Banguero has not been kidnapped by FARC [Revolutionary Army Forces of Colombia].

The application of perestroyka in the Colombian Communist Party and in the UP does not seem to bring division between those two groups. Both UP President Diego Montana Cuellar and Communist Party Secretary General Manuel Zepeda stated that it is not true that they have been thinking of replacing Bernardo Jaramillo, who is running as a presidential hopeful, with Senator Alberto Santofimio, as a local newspaper asserted.

[Begin Montana recording] The party is not discussing who will be the presidential hopeful. The presidential hopeful is Bernardo Jaramillo. I do not think that has been a point of discussion. As far as I know, it has not been a point of discussion.

The UP convention elected Bernardo Jaramillo as the candidate and it elected me as the UP president. We were elected unanimously. We are developing that policy. [end recording]

[Begin Zepeda recording] There is no division. We are simply talking with Carlos Jimenez Gomez, United Colombia [Colombia Unida] presidential candidate; with 19 April Movement [M-19] presidential candidate Carlos Pizarro; with Alberto Santofimio; and with Ernesto Samper [Liberal Party presidential hopeful]. We have been talking with them to see whether we can participate in the May elections with a big people's convergence. [end recording]

The two leaders agreed that Guillermo Banguero, UP secretary general and former guerrilla, has not been kidnapped and is currently holding talks with FARC leaders.

[Begin Zepeda recording] UP leader Guillermo Banguero went to the mountains to talk with FARC leaders to try to accelerate peace talks between FARC and the government. He is fulfilling that task there. [end recording]

Ecuador

Borja To Recognize New Panamanian Government

PA2312045689 Madrid EFE in Spanish 0227 GMT 23 Dec 89

[Text] Quito, 22 Dec (EFE)—Ecuadoran President Rodrigo Borja today said Ecuador will recognize "a government that is the result of the Panamanian people's will" and that his country will continue to reject the U.S. "interference" in Panama's affairs.

Borja reasserted his condemnation of the action because "nothing justifies the U.S. intervention," adding that Ecuador is analyzing the developments in Panama, provoked by the U.S. invasion.

The Ecuadoran president stated that "the threat of an armed U.S. intervention represented and continues to represent a grave step backwards in Latin America's struggle to consolidate and broaden the borders of our democracies."

He also said: "The presence of General (Manuel Antonio) Noriega and all of his corruption and antidemocratic abuse of power represented a step backward in the defense of Latin America's democratic principles."

Agenda for February Presidential Antidrug Summit

PA2412054489 Paris AFP in Spanish 1627 GMT 17 Dec 89

[Report by Rafael Urrejola]

[Text] Guayaquil, Ecuador, 17 Dec (AFP)—A preliminary agenda highlights the antidrug topics that are to be discussed at the meeting of the presidents of the United States, Bolivia, Colombia, and Peru that has been scheduled for February 1990. The agenda delineates the problems that will arise in these countries with the elimination of the coca trade, as it presently generates illegal foreign exchange, employment, and income.

An unofficial translation of this agenda recommends that the U.S. Government request new funds from Congress to cover an assistance program for these three countries between 1991 and 1994. The program's objective would be to confront the problems that would arise when antidrug measures are effectively implemented.

The document was made available to AFP by diplomatic Andean sources presently participating in the Andean presidential summit who requested anonymity. The document states that as the coca erradication programs are implemented in these three countries, they will require "quick disbursement of aid to mitigate the social and economic costs" of these actions.

The antidrug summit, scheduled to be held in Cartagena, Colombia on 15 February, will be attended by Presidents George Bush of the United States, Jaime Paz of Bolivia, Alan Garcia of Peru, and the host, Virgilio Barco.

The unofficial translation of the agenda notes the need to adopt "energic programs" to eradicate coca crops; to prevent all the drug traffickers' police, military, judicial and financial actions; and to halt all their air and sea activities, as well as those geared to obtaining weapons and materials to produce drugs.

The United States is willing to provide support for the balance; to "finance imports and to contribute toward international financial institutions." The United States is also willing to finance emergency social programs required to counteract the coca crop eradication, the document adds.

The United States will also back measures to "stimulate widespread rural development, promote nontraditional exports, construct a productive infrastructure," and other actions of this type to "ensure the economic adjustment and support development that can serve as an alternative" to the present illegal crops, it adds.

The document also proposes initiatives for foreign trade and investment to promote sustained economic growth "and to help compensate for the economic disruption that will result from the efficient implementation of the antidrug program."

One of the initiatives proposed is that "priority be given to negotiating a new international coffee agreement to resolve the difficulties contained in the old agreement." At midyear, producers and consumers broke off the old agreement and this seriously hindered Colombian coffee producers.

The preliminary agenda notes in another section that "it is necessary to attack the illegal drug business in all its phases: production, transportation, and consumption," as well as "cut off all the steps in the flow of money—from consumers to producers—to make it difficult for drug traffickers to transfer their profits through the banking systems."

It adds that for this struggle "to be successful, measures against drug traffickers must completely adhere to respect for human rights."

In this war "we have to make use of all resources," adds the document and proposes that there be close coordination between the police and the armed forces—both at a bilateral level as in every country—and "cooperation in matters of intelligence."

The preliminary agenda for the meeting between Bush, Paz, Barco, and Garcia also supports the "incorporation of new farmers to said crop." [as published]

In conclusion, it notes measures that are to be taken to protect judicial branch members and warns that drug traffickers use their inmense wealth "to corrupt" institutions.

America Battalion Releases Communique

PA2312113189 Paris AFP in Spanish 0218 GMT 19 Dec 89

[Text] Quito, 18 Dec (AFP)—According to a communique given to AFP, the international rebel organization—the America Battalion—will "continue its continental struggle for liberty, justice, and Latin American dignity." In addition to the communique, photographs of rebels in mountain areas were also given to AFP.

Signed by the American Battalion's General Command, the communique—written on a sheet without the organization's letterhead—states that they back the decisions made by the 19 April Movement (M-19) of Colombia and Alvaro Lives, Dammit! of Ecuador to sign peace and democracy agreements with their respective governments.

These two organizations, together with the Tupac Amaru Movement of Peru, founded the American Battalion in Colombia 5 years ago. The battalion suffered heavy casualties in Colombia and it was believed to have disappeared. Today's communique, however, announced the existence of other organizations forming the American Battalion.

They request that the M-19 give them the sword of Liberator Simon Bolivar and recalled their organization's principles and Camilo Torres' words to the liberator: "General, as long as your sword lives, the fatherland is not dead."

The rebels also state that they back sincere Latin American efforts to attain peace for the region and "find political solutions with the lowest social cost and loss of blood for our people."

The international organization told the Andean presidents meeting at the Galapagos Islands that "today that they have the power," they should "exert it in favor of the people, in favor of a true democracy." However, they criticized "the murders in streets of Caracas," the murders in the jails of Peru," and "the torture in the jails of Ecuador."

Regarding the Andean leaders, the rebels noted that "either they are with Latin America or they are with the northern tyrants," referring to the United States.

The movement states that they have gathered on repression and states that 4,000 union members have been illegally arrested and that 200,000 have "disappeared."

"The Salvadoran people are not alone," adds the communique and states that at the request of the people or the Farabundo Marti National Liberation Front, we are "willing to move our men and declare war on the facists' foreign economic interests," including "President (Alfredo) Cristiani's diplomatic representatives" in the region.

Concluding, the communique states: "If Latin Americans have to go with Bolivar's sword to San Salvador and Central America, we will do so."

The document is signed by the commanders of the Victors' Pace Regiment [Regimiento A Paso de Vencedores], San Martin Southern Front [Frente Sur San Martin], B-5-R Nobody Surrenders Here [B-5-R Aqui Nadie Se Rinde], and E.R.P. [Revolutionary Peoples Army] brigades.

Paraguay

Commentary Surrounding U.S. Action in Panama

President Rodriguez Interviewed

PY2612113289 Asuncion EL DIARIO in Spanish 26 Dec 89 p 3

[Text] Paraguayan President Andres Rodriguez has expressed his satisfaction over the liberation of the Panamanian people from their "oppression." Rodriguez justified the situation, although he said that the U.S. military operation has "brought mourning to many homes" in Panama.

Following his Christmas message to the nation from his home in Las Carmelitas neighborhood, General Rodriguez was interviewed by Radio Nanduti. He spoke about the Panamanian situation and other subjects.

"I know that an action of this kind is costly. The spilled blood of many innocent people really touches our hearts. We are aware of this," President Rodriguez said.

As a Christian, he said that he places in God's hand the implementation of justice in Panama in the best way possible "so that this sister country may recover its freedom and live in democracy, and that each Panamanian home may attain happiness. That is what I wish."

After the radio interview, President Rodriguez reiterated that when the authorities have no shame, the subordinates feel no respect "and that is what happens where a regime is too authoritarian and it does not respect the law," he added.

Government Rejects U.S. Use of Force

PY2112182489 Asuncion ABC COLOR in Spanish 21 Dec 89 p 26

[Excerpt] In a communique released by the Foreign Ministry last night, the Paraguayan Government confirmed its decision to support the nonintervention principle and to reject the use of force.

The communique states: "The Paraguayan Government has received the news of the use of U.S. military forces in Panama with concern."

"Paraguay supports the principles consecrated in its national Constitution and, in the terms of the UN and OAS charters, confirms its respect for and obedience to the principles of nonintervention in the domestic affairs of other countries, and the self-determination of the peoples."

"Therefore, Paraguay rejects the use of the force as a way of solving controversies and exhorts the two parties to seek a peaceful and immediate solution to this problem in accordance with the international laws. Paraguay also urges the Panamanian people to pursue their destiny within the framework of liberty and democracy, which were ignored by the Noriega regime." [passage omitted]

Invasion Challenge to Juridical System

PY2212160089 Asuncion EL DIARIO in Spanish 21 Dec 89 p 14

[Editorial: "The Lessons of Panama"]

[Text] The unexpected U.S. invasion of Panama opens a new challenge to the juridical system of the inter-American community. Despite the negative judgment that the former Panamanian strongman may deserve, it is very difficult to accept the idea that he should be overthrown by a foreign army. This event flagrantly violates basic rules of international law, which regulate coexistence among nations and which all states have sworn to obey. These rules establish the difference between the modern states and those which, at the early days of civilization, resolved their controversies on the basis of which one is the strongest.

The history of relations between the United States and Latin America is full of confrontations of this nature. However, it is true that the armed interventions of the past were much less legitimate than yesterday's invasion of Panama. In the past, strategic interests were really the reasons for the U.S. interventions at a time when the United States was consolidating its dominance in the region.

Even so, there were two armed interventions in the last few years: in the Dominican Republic and Grenada. In those two cases, the objective was to eliminate potential enemy enclaves as a result of the active presence of real or alleged ideologically different governments. The Panamanian case seems to have that characteristic, although it should be said that it is not the essential element.

The Panamanian link with nefarious drug traffickers has for a long time been an element of conflict that could have exploded any time. In addition to that, there was the violence unleashed by the Panamanian Government against U.S. civilians and military—a provocation that ended the restraint of the White House. The situation, which was out of control, was a very difficult challenge to avoid for a world power with great strategic commitments and with the concrete possibility of acting because of the short distance between the countries and its deployment of enough forces in the canal zone.

A strong collision occurred between the legitimacy of a cause and its lack of legal basis. The weakness of the mechanisms to solve conflicts peacefully, which is an ideal still difficult to achieve for the international community, has again appeared. Another painful fact also appeared: The weakness of the people before an authoritarian government, such as the one headed by General Noriega, who successfully resisted all the internal efforts to overthrow him and who finally fell under a great foreign pressure exerted by the foremost power in the world. One can only trust that free institutions will strongly flourish in Panama in order to overshadow all pessimistic expectations.

'Violation' of Sovereignty Condemned

PY2212061789 Asuncion ULTIMA HORA in Spanish 21 Dec 89 p 14

[Editorial entitled: "Condemnable Violation of the Right to Sovereignty"]

[Text] The U.S. military intervention in Panama is another episode that reopens the wounds in North-South relations. There has been no equality or respect for principles; there has been only a strategy of dominance, no matter the means or how ignominious they may be to the conscience of humanity.

Who gives the United States the right to politically and militarily intervene in a state that it does not own?

This is the question that the governors of that country have never understood. That is how they wrote the history of this century: By violating and committing violence against the sovereignty of many states, which in general were weak and defenseless. That is how they have violated the international principles they say they respect in the name of civilization and the West.

That is why, despite what General Noriega may represent, this new military intervention in Latin America is condemnable. It violates once again the principle of noninterference in the domestic affairs of another state and a republic's inarguable right of sovereignty.

There is no justification or foundation for, or credibility to, this renewed application of imperialist force. The lives of one or two Americans does not justify the deaths of many Panamanians, most of whom were probably innocent, or even of U.S. soldiers. Not even the Panama Canal justifies this action, since its use was not in danger. Even if it had been in danger, there are always peaceful means of safeguarding it.

Much less justifiable is the pretext of democratizing a country from outside by violating human rights, especially the right to life: A democracy cannot be imposed on anyone. If there is no self-determination, there is no freedom. And where there is no freedom, no matter how many victims, there can never be democracy.

We no longer live in times when falsehoods mask hidden interests. These interests now end up being repudiated.

There is yet another despicable angle in this action: the offer of money for capturing an enemy. With such "values," the United States will not be able to be a leader of the free world, where coexistence requires better ethics.

A new invasion is shocking Latin America. As always, it comes from the same source. However, probably this time a unanimous reaction of condemnation will make the United States think, and it will also create conditions to keep this from happening again. From now on we must face this responsibility, so that an oppressor will never again trample on our rights.

Daily Newspaper Supports Invasion

PY2312143689 Asuncion ABC COLOR in Spanish 22 Dec 89 p 10

[Editorial entitled: "The Noriega Case"]

[Text] The violent removal of the despotic regime of General Manuel Antonio Noriega had been predictable and inevitable. The suffering of the Panamanian people began the day Noriega took command of the National Guard. Noriega soon became a typical Latin American military boss willing to go to any extreme to remain in power in order to carry out all kinds of excesses against Panamanians and foreigners.

For him the elections were only an excuse to commit fraud and to select civilians who were powerless to govern. Eric Arturo Delvalle was one of the Panamanian presidents whose role was to be a puppet of the National Guard commander. When Delvalle wanted to relieve Noriega in accordance with the Constitution, Delvalle had to hide and then go into exile, in permanent fear for his life.

Noriega was not against political crime. Hugo Spadafora, the best known opposition political leader, became the victim of Noriega's hoodlums. After the elections on 17 May, when Noriega's party was unanimously defeated, his armed goons of the so-called "Dignity Battalion"—which are armed gangs of murderers and common criminals—almost murdered winning vice presidential candidate Guillermo Ford in cold blood. Not even the presence of foreign television impeded one of Noriega's criminal supporters from trying to murder Ford. A bloodstained Ford was finally able to escape with the help of a few supporters. A picture of the bloodstained Ford and a determined-looking attacker covered the front pages of the world's largest newspapers.

All military dictators like to get enraged at the press. Noriega was particularly harsh with the independent press. He routinely ordered the closure of newspapers, radios, and television stations, and the arrest of reporters. Violations of freedom of the press in Panama used to call the continuing attention of the Inter-American Press Association, Amnesty International, Americas Watch, and other international human rights organizations.

Noriega's reputation among his Latin American counterparts fell into disgrace and Panama was no longer invited to the meetings of the Group of Eight, which were seeking a negotiated solution to the Central American problem.

The oppression exerted by Noriega and his praetorian guard to punish his people was not enough; therefore, they also decided to get directly involved in drug trafficking to the United States and Europe, acting as protectors and money launderers for members of the Medellin Cartel. The evidence against Noriega was obvious enough for a Miami Federal Court to charge him with drug trafficking. Noriega was no longer just one of those Latin American dictators who enriched themselves by robbing and oppressing their people: He had become a powerful international criminal.

The United States, which had always maintained special relations with Panama because of the presence there of the vital canal, justifiably hesitated to turn over the Canal to a recognized outlaw. The Carter-Torrijos treaty was in danger because Panama was not complying with its side of the treaty. It had been agreed therein that the isthmus government should emerge from democratic elections. Noriega had neither a popular nor a democratic basis.

Moreover, the permission for the Medellin Cartel to operate on Panamanian soil and the official protection for cocaine shipments to the United States constituted a form of direct aggression against the U.S. society and the health of its youth. The laundered drug money gave the drug traffickers formidable economic power that made their repression difficult. Not by chance, the fight against drug trafficking was a centerpiece of the elections that took George Bush to the White House. This choice was not made by the Reaganist right, but by the black leader Jesse Jackson, who tirelessly reminded his followers that poor blacks were the first victims of drug addiction.

After a failed attempt at an electoral fraud last May, Noriega began to pull off the mask of a supposed popular leader. Last week, by his own decision, he assumed the post of head of the Panamanian state, and then proceeded to take measures that finally proved to be suicidal for his regime. He declared Panama in a state of war with the United States, thus defying the Americans to resort to arms. When the Americans demonstrated that their patience had not been exhausted, Panamanian military fired at and killed an unarmed U.S. officer, and then captured a U.S. sergeant and his wife. After torturing both of them, the Panamanian military men threatened the sergeant's wife with sexual abuse. This straw broke the camel's back. The Noriega declaration of war served as sufficient excuse to send in the Marines, who ended the praetorian regime and installed the legally-elected Guillermo Endara as president of Panama.

The Panamanian future is now similar to ours: There will be freedom, respect for human rights, and a government legitimized by the popular vote. Panama, like Paraguay has been lately, will again be welcome in international forums. Noriega, his arrogance, his armed gunmen, and his disdain for the people will be an unpleasant memory of a situation that will never return. The Panamanian National Guard will have to be restructured so that it will never again be a nest for fledging tyrants who are unfit for civilized coexistence.

It is now very easy for some Paraguayans to invoke the principle of self-determination to attack the United States for having ended the Noriega tyranny at gunpoint. But we ask ourselves, what would have been the reaction of those same Paraguayans, who today enjoyed the freedom of which they were deprived for nearly half a

century, if we still were under Stroessner's domination, with his goons and militants? Had the acts of 3 February not occurred, we, at least, would have been pleading for anyone, either Bush or Satan, to please liberate us from that repugnant pestilence of Stroessnerism.

It is deplorable to reach these extremes, but there is no other way when a wicked maniac takes over at gunpoint the machinery of the state and remains in power by force.

Let us hope that a democracy that respects the rights of the people is now installed in Panama, and that the country may find a sure path to pursue the common good.

President Rodriguez Confirms Entire Cabinet

PY2212172989 Asuncion RPC Television Network in Spanish 1500 GMT 22 Dec 89

[Excerpts] All Cabinet members were confirmed in their posts today during a meeting at Government House. The 12 Cabinet members, who had tendered their resignations, will continue to head their respective ministries.

At the end of the Cabinet meeting at Government House, Minister Without Portfolio Juan Ramon Chaves talked to the press:

[Begin Chaves recording] General Rodriguez informed us that all Cabinet members have been confirmed. All of us have agreed to comply with his decision. We also expressed to him our complete loyalty and reasserted our commitment to continue working for the well-being of the country. [end recording] [passage omitted]

President Rodriguez also talked about the Cabinet's confirmation. He said he fully trusts the work carried out by the various Cabinet members. He said:

[Begin Rodriguez recording] All of them have been confirmed. I hope they will always support me, and I fully trust the work they carry out in their respective posts. [end recording]

Rodriguez Named Honorary Colorado Party President

PY2312213889 Asuncion HOY in Spanish 22 Dec 89 p 8

[Excerpt] The Executive Board of the Paraguayan Colorado Party yesterday named General Andres Rodriguez as its honorary president. Members of the "democratic" faction criticized the procedure on the grounds that one of the articles of the party charter states that only a party convention can bestow honors, not the board. In any case, Rodriguez was named honorary president "pending the approval of the next party convention."

Colorado Party President Juan Ramon Chaves yesterday announced that the Colorado Party Executive Board decided to "name General Rodriguez as honorary president of the Colorado Party Executive Board, pending approval by the next party convention." The motion to name Rodriguez honorary president had been submitted by Julio Cesar Frutos and approved by the board. [passage omitted]

Peru

Garcia Will Not Recognize Panama's Endara

PY2612210289 Buenos Aires DYN in Spanish 2015 GMT 26 Dec 89

[Excerpt] Lima, 26 Dec (AFP)—Prime Minister and Foreign Minister Guillermo Larco Cox said in Lima today that Peru will not recognize the new Panamanian Governnment during the 7 remaining months of the Alan Garcia administration. President Garcia also denied having offered political asylum to General Manuel Antonio Noriega. [passage omitted]

Communique Denies Asylum Offered to Noriega

PY2612182489 Lima Television Peruana in Spanish 1818 GMT 26 Dec 89

[Communique issued by the Office of the President of the Republic in Lima on 26 December—read by announcer]

[Text] 1. Now that General Manuel Noriega has sought shelter at the Apostolic Nunciature in Panama, the Peruvian Government feels that this subject is closed and has become a matter to be discussed between the Vatican and the United States. The Peruvian Government has not even considered, much less proposed, offering asylum to Mr. Noriega.

2. The substance of the proposal that President Garcia made yesterday is the need to call a meeting of foreign ministers of OAS member countries to propose measures leading to prompt elections and to create, if necessary, an inter-American defense force to replace U.S. occupation troops.

3. The dissemination of news on the possible granting of shelter to Mr Noriega was prompted by the desire to confuse the people into mistaking the defense of principles—such as Panama's sovereignty —for the defense of people like Mr. Noriega, who Peru labeled a dictator several months ago.

Terrorists Destroy School in Ancash

PY2712032789 Lima Domestic Service in Spanish 1800 GMT 26 Dec 89

[Text] In an insane action, terrorists have dynamited the Pachacutec National School of San Marcos district in Ancash. The terrorists also attacked the house of Mayor Mauricio Rodriguez, whose whereabouts are still unknown. The subversives stole the teachers payroll that was deposited at the state bank branch.

Uruguay

UN Convention on Drug Trafficking Signed

PY2512124789 Montevideo Radio Carve in Spanish 0830 GMT 25 Dec 89

[Excerpt] [Announcer] In the last few hours, Uruguay signed an important UN convention against drug trafficking. Here is a special report by Jorge Reyna:

[Reyna] Uruguay has just signed the convention against illegal trafficking in narcotics and psychotropic substances at the United Nations in New York. This very important document was drafted last year at the end of a special conference in Vienna. The convention was adopted by the United Nations and opened for approval by all nations for a period of 1 year. The deadline for approval was 20 December 1989. More than 90 countries have signed the convention so far. [passage omitted]

Communique on Foreign Debt Negotiations Issued

PY2612161689 Montevideo EL DIA in Spanish 15 Dec 89 p 11

[Excerpts] Representatives of our country and of the Creditor Banks Committee will meet again in New York next February to continue to negotiate a reduction of our debt if we can make progress with the IMF on our economic program. [passage omitted]

The meeting in New York on 13 December was attended by Economy Minister Ricardo Zervino and Central Bank President Ricardo Pascale, and by Lacalle's advisers Enrique Braga and Agustin Urtubey and a delegation headed by Citibank Vice President Guillermo Della Osa, representing the Creditor Banks Committee.

After the meeting this communique was released:

"On the basis of a mutual understanding, considering that the proposals under review are market oriented, and in order to promote the voluntary participation of banks, the Banks Advisory Committee has replied to the Uruguayan proposal which included debt repurchase, notes swaps at reduced rates, debt conversion for the financial sector, and new financing. The Committee considers all these elements appropriate for the general structuring of a new financial package.

A new meeting has been scheduled for 12 February 1990, in the hope that by then the negotiation between Uruguay and the international financial organizations on a new Uruguayan economic program show considerable progress."

Venezuela

Withdrawal of U.S. Troops in Panama 'Basic Step'

PA2612204689 Madrid EFE in Spanish 1547 GMT 26 Dec 89

[Text] Caracas, 26 Dec (EFE)—Venezuelan Foreign Minister Reinaldo Figueredo announced in Caracas today that the Venezuelan Government will insist on the withdrawal of the U.S. troops from Panama as the basic step for the normalization of the situation in that country.

Minister Figueredo stated that he is getting in touch with his Latin American colleagues to issue a joint statement requesting the withdrawal of the U.S. troops from Panama.

After stressing that the Latin American foreign ministries are seeking formulas for the prompt normalization of the Panamanian situation, Minister Figueredo asserted that "the withdrawal of the U.S. troops is fundamental."

Figueredo said that efforts are being made to form a high-level commission comprised of prominent Latin American figures, which would meet with Guillermo Endara's government authorities and with U.S. Southern Command General Maxwell Thurman to make efforts for the restoration of normalcy in Panama.

Meanwhile, Eduardo Fernandez, secretary general of the Committee of Independent Political Electoral Organization (COPEI), criticized the position adopted by Venezuela at the OAS regarding Panama.

Fernandez said that Venezuela's abstention at the OAS meeting was "regrettable."

Venezuela refrained from voting at the OAS Permanent Council meeting along with Honduras, El Salvador, Guatemala, Costa Rica, and Antigua-Barbuda. The OAS Permanent Council approved a resolution condemning the U.S. military invasion of Panama.

Fernandez stressed: "Venezuela's position at the OAS has been regrettable, because it had led to the isolation of our Foreign Ministry and to the inability of our governments to find a constructive solution in Panama."

Fernandez said that during his presidential campaign, Venezuelan President Carlos Andres Perez presented his capacity to solve international conflicts as a credential for his candidacy, but as the song goes: "Everything has crumbled."

Fernandez stressed the failure of the inter-American system as a mechanism of multilateral action to solve Latin American problems.

President Perez Speaks at Congress Closure

PA2312110889 Caracas Venezolana de Television Canal 8 in Spanish 1852 GMT 22 Dec 89

[Speech by Carlos Andres Perez at the closing of the ordinary sessions of the National Congress in Caracas—live]

[Text] Mr President of the Senate, Mr President of the Chamber of Deputies, Messrs members of the Senate Commission and the Chamber of Deputies Commission, I thank you for the protocol and regulatory gesture from the chambers, which sent their commissions—led by the presidents of the two chambers—to notify the head of state of the closure of the 1989 sessions.

Senate spokesman Eudoro Gonzalez aptly said that this year has been full of events that have reflected a national reality full of problems, and during which our people have been subject to harsh efforts and sacrifices amid a crisis which we are striving to counter and solve with sincerity—without appealing to the traditional short-term measures; without trying to hide the situation we are truly enduring; and assuming with determination and courage the difficult decisions we must assume to counter a situation in which, consolidated throughout the many years, we made many mistakes and were responsible for many omissions.

We were forced to face a crisis at a given moment in our history due to the artificial nature of our economic process, and as a result of the adverse conditions in the international economy and the mistakes incurred when negotiating a foreign debt. We could not adopt compromising measures so we had no choice but to adopt, once and for all, the necessary measures and assume the responsibility of exonerating and adjusting our economic process.

Of course, it is now easy to criticize, because our efforts have not yet produced specific results. There is no doubt that we have made many mistakes that we are obliged to rectify and, therefore, it is highly advisable that each individual be allowed to vent his views without any kind of restrictions. This conviction strengthens our criteria that democracy is the only system that can open possibilities for our country and that freedom of speech and freedom to criticize are essential and necessary instruments in allowing us to further these processes with possibilities of succeeding.

Throughout this year, filled with difficulties, I have maintained that it is human to make mistakes, however, we are very sure that the path that we have chosen to rid our economy of all deficiencies and artificial elements, which have characterized it for such a long time, is the correct path; the path of honesty is the one that could lead us to achieve the solutions that the country is hoping for.

We are closing this year worried and anguished over the difficult crisis that we are facing. We have personally experienced the troubles that the Venezuelan people, especially its labor, peasant, and lower-income and middle-class, have experienced in the face of the harsh adjustments that we had to implement in an attempt to free Venezuela's economy of the serious problems that have developed over time.

We could either tackle the crisis through the use of abundant resources to cover up mistakes with other mistakes, or through economic adjustments that would uncover our reality that would move us to find solutions rather than palliatives to all mistakes and deficiencies in our economy.

Of course, there are segments of the population that have suffered more than others. Senator Eudoro Gonzalez was correct in underscoring the difficult crisis facing the agricultural sector. We are now paying for having subjected this sector of our production and economy to more artificial measures than others. We always managed the agricutural sector through subsidies and exonerations and by imposing artificial means to curb the price of agricutural products.

All this created the difficult situation that we are now facing. If we ended our efforts to bring agricultural product prices to the appropriate levels, inflation this year would surely drop by one-third or one-fourth. This is a bitter example of the accumulation of the mistakes that we have been making. Furthermore, the production sector, which is the one that most directly affects the cost of living or welfare of Venezuelans, is involved.

However, we had no other choice than to continue on the path that we had chosen while trusting the country's human and material resources, and with the conviction that once we eliminated the ever increasing artificial measures to which we subjected the agricultural sector, we would be able to begin a process to achieve the essential objectives of doing justice to our farmers and ensuring a supply of our country's agricultural produce to all segments of the society.

It was difficult to begin adjusting prices and the economy through a regettable and acute devaluation of our currency. It was a very difficult task to devaluate our currency, to establish a sole exchange rate, and courageously face the serious consequences that such a decision would entail for the Venezuelan people.

However, we did just that and, as the year is about to close, we do not regret the macroeconomic measures that we were forced to adopt. We do share the pain of its consequences with our people. However, we are convinced that [4-second break in reception] as an essential requirement to pave Venezuela's march into the future.

We all have faith in this fatherland; we all know that Venezuela's immense material resources presents for us clear possibilities of overcoming the difficulties that we have faced. And we all have faith in ourselves. We have confirmed that despite all the deficiencies, Venezuela is a country that, in 31 years of democracy, has made

positive decisions and experienced positive growth in its quest of building a new society.

Today's Venezuela has nothing to envy from the Venezuela of 30 or 40 years ago, although many problems have worsened. Nevertheless, I challenge anyone to tell me when in the history of humanity that it has been possible to achieve higher levels of well-being and progress without trial and error on the part of the people, and a succession of triumphs and defeats. It is through this struggle that the people have managed to find great opportunities in achieving progress.

I have said on various occasions—because I learned and have thought about this—that there is no period of improvements in world history not stemming from a crisis. During crises, man towers over his difficulties; during crises, man reflects on his present and is able to look into his future. This is what we are doing in today's Venezuela.

We could mention many negative things. There is probably no national activity in which we would not be able to point out ugly things. However, Senators and Deputies, if we emphasized the positive, we would realize that this country is advancing amid difficulties; it is able to overcome them, and is diligently trying to find the definitive paths that would successfully lead it to a bright future.

This should fill us with enthusiasm, strength and encourage us in our struggles. I do not censure or reject criticism. However, I am often troubled because we are too demanding and harsh in pointing out the negative, and too stingy in pointing out the positive, because this often harms national optimism and the trust that Venezuelans need to have in ourselves to continue to advance in such a complex and difficult situation as the one we are facing.

The Venezuelan political parties—and I include myself among them—are very much responsible for what happens in our country. The political parties are the essence, guarantee, and reason for democracy in Venezuela. There is no democracy without political parties. Perhaps, amid the din of our struggle and perhaps in view of our inability to put the country's interests before the party's or the group's interests, we have committed serious mistakes that we have hardly ever analyzed with sincerity.

There are two specific parties in the country, the Democratic Action Party [AD] and COPEI [Social Christian Party], which are the ones mostly responsible for what has happened in our country.

AD and COPEI are basically responsible for what is happening to Venezuelan education. It is our duty to correct those mistakes and to solve those problems. We must spare no efforts and we must avoid getting involved in a clash of ideas in order to correct the mistakes we have made.

The problem with the supervisors is an example of what I am saying. There are almost more supervisors than teachers. There are supervisors appointed by AD and by COPEI. We were more interested in taking care of political clients than in taking care of educational needs. We are facing that situation today. We have found many serious problems in the Education Ministry. We are bringing those problems to the surface. That action will not harm the political parties. It will not discredit our parties' future. That action will only indicate that those are not the paths that political parties should travel on if we want to build a great nation. We continue to be two organizations of basic importance for Venezuela.

What happens with the judicial branch? We have politicized it. We have elected judges from among our political clients. We are now experiencing the results of those actions. We must be frank and honest and admit the mistakes that we have been making.

I say this because I believe the best way to solve our problems with determination is to admit the mistakes we have made. In our frankness and in the assumption that we always acted in good faith, we will find the right path and the way to fulfill the permanent needs of the Venezuelan civilians who demand more responsibility from us.

I believe Venezuela has learned its best lessons in 1989. This year gave all of us personal and common challenges. All of the problems that the country has been experiencing came to the surface this year. This year of sacrifices and difficulties has given us two warnings. The first one was on 27 February when a newly-elected government with a large popularity—which it has fortunately not lost—experienced a social explosion. It was an explosion resulting from everything that has been accumulated and contained inside the people throughout these years.

On 3 December, we received another warning from the civilian population. Abstentionism during the 3 December elections for governors cannot be blamed on simple causes. There are all kinds of causes, but one basic one. We have lost our credibility. Political leaders have lost their credibility. People do not believe in the effects of democracy. That abstentionism was the people's and the nation's warning to us. That abstentionism points to the people's concern and anguish before the lack of responsibility of political organizations and the national government.

I believe 1989 should lead to deep reflection upon our actions. Nineteen eighty-nine should help us agree on basic issues. Dispute is the essence of democracy. We cannot think of a democratic process without political parties, dispute, criticism, and polemics.

However, there are issues that are essential and that equally interest all political organizations. Perhaps, this is the right time to repeat my request for COPRE [Presidential Committee to Reform the State] to call on us—the government, all the political parties, and other

important institutions in the country—to sign an agreement on state reforms. We have to reach a commitment on fundamental issues that must be resolved at present to be able to ensure the future. We have to reach an agreement so that Venezuela, with all of its huge human and physical resources, can really get ready during the 20th century's last decade to project itself into the third millenium of humanity as a great Latin American country that confronts the challenges of its great destiny in a new world being formed before our own eyes. We have also noticed that the situation is occurring throughout the universe at the same time that it takes place in Venezuela.

We are witnessing truly revolutionary events. A series of myths and institutions have fallen or crumbled. They had created an unjust international society of privileged people, and this resulted in an incomprehensible and endless slavery for developing countries. That situation is coming to an end. The events are not so simple. Today we see how the East European nations' totalitarianism—which refused to accept the reality of the new world events, which appeared unyielding, and which was using all the infamous force of repression—has fallen.

Romania's Ceausescu has disappeared from power, and the people—with their thousands of dead and great sacrifices—managed to break through toward the reality represented by the Soviet Union's two magic words: Perestroyka and Glasnost. No one can stop this because it is not the work of a man; it is the result of unstoppable underground forces that advance in all the societies of the world, and which appear at the appropriate time to bring about a basic change in the lives of nations or mankind as a whole.

The Venezuelans cannot isolate themselves from these events, and we interpret these signs of the times and prepare ourselves for them. In regard to these circumstances, we are also hurt, angered, and humiliated because something we thought had disappeared in inter-American relations has reappeared: Armed intervention—the invasion of a small and defenseless nation by a powerful nation. This undoubtedly moves us, but we must also learn the lessons derived from this.

Latin American people have had a lot of time and opportunities to carry out actions and to counter the Panamanian crisis under a Latin American viewpoint and with a Latin American solution—but we repeated what we inherited from the past, the 19th century culture. We tied ourselves to the flag of principles and we raised it very high, but we forgot that principles must walk. The defense of principles must also include the possibility and decision to carry out actions. Now it seems that we are doing the same thing.

The OAS has concluded with a declaration of principles while we do not know what is taking place in Panama, while our Latin American eyes cannot see what is taking place in Panama, cannot really see what events are taking place there, for which we might feel sorry tomorrow because we lacked a vanguard position to participate in the outcome of the tragic drama being lived by the Panamanian people.

These are the lessons that we have learned during 1989. these lessons must be used to our advantage and we must reflect on them.

Fellow countrymen senators, deputies, members of political parties, and members of the country's organizations: Amid the constant din of the battle against each other we are going to squander extraordinary opportunities and, perhaps, going to frustrate the great hopes our people have placed in us.

Of course, not everything is negative. The National Congress, as was noted by Senator Eudoro Gonzalez and Deputy Arnold Gabaldon, truly shows a positive balance in its 1989 actions. It has given the country very important laws and we were able to accomplish a great Venezuelan desire: Regionalization and centralization. I am waiting for the law that will allow the transfer of power from the central to the regional areas to duly promulgate them. The law is needed and, despite the difficulties and imperfections that may be found in it, the steps determined in the law must be given and corrected in a timely fashion if so required. We cannot, however, become entrenched because the law has errors or omisisons and then delay or not pass it. We must have this attitude regarding this law.

The legislative branch has complied with its obligations. It has shown its capacity to act with responsibility and has, thus, given us many laws. I could also criticize certain actions because we become impatient many times when we are confronted with delays in getting the needed legal instruments, the legislative authorization needed to confront the country's spiraling recession process. However, these are events related to circumstances. What is important is that Congress took positive actions.

Today, I am pleased to address them to close the sessions for the year and to respond to the words expresssed by the reresentatives of the Senate and Chamber of Deputies. I must tell them that I am very happy with Senator Eudoro Gonzalez's words regarding his willingess to reach an agreement. We will not be able to overcome our difficulties if we do not reach an agreement. This cannot be done by one party or government. It has to be attained with the nation's will because we are confronting the most serious crisis confronted by Venezuelan democracy in its 31 years of existence. We all have a responsibility to reach this agreement as it is not solely the government's or the government party's responsibility. It is not the responsibility of the two majority parties only. It is the responsibility of all the political forces and of all the sectors in the national community. Many times, we have to make decisions that are difficult and do not satisfy one sector or the other. Sometimes they do not satisfy several sectors that are concerned because we have had to place national interests before any specific interests, for

example, the wage hike that the national government has just decreed. It was a needed wage increase because we could not close our eyes to the progressive deterioration of Venezuelan wages during the recession that has been evident during this year that is ending. However, businessmen have said that we are going to ruin their sector because we decreed that certain wages were to be increased up to 20,000 bolivares. On their part, labors sectors say that the wage hike is unjust as it did not reach the amount needed to be able to close the gap between the cost of living increases and the real wages they receive.

Confronting the two positions is the government's responsible attitude. The government cannot give into demagogic lure or pressure. We had to find a happy medium. We had to find a way to increase the wages as much as possible without provoking the acceleration inflation, yet not so high as to create greater problems for the successful struggle in curbing inflation.

In short, there are many things we must talk about and I will broach those matters clearly, and in detail, during my first message to the Congress of the Republic in 1990. As I have said on several occasions, I truly believe that speaking openly, sincerely, and clearly explaining the problems and suggesting solutions is the only way to air the country's problems; amid democratic controversy and criticism, it is the way to find just and acceptable solutions for all the Venezuelan people.

I wish to tell you that as president of the Republic, I was very pleased with the remarks made by the representatives of the Senate and the Chamber of Deputies, and I thank you for this opportunity to share this brief moment with such a distinguished representation of the Congress presided over by the presidents of the two chambers. I also reiterate my determination to open every possible door to cooperation and agreement and to understand that flexibility in government work must be an essential factor in guaranteeing the possibility of understanding and concertation.

In conclusion, gentlemen of the Senate and Chamber of Deputies, I want to wish you the happiest possible Christmas despite the stormy situations experienced by the world, experienced by Latin America, and depite difficulties experienced by our country. And in this coming year, may we all agree to work embraced in a single love, our love for Venezuela.

Thank you. [applause]

Guyana

Government Communique on U.S. Action in Panama

PA2312164689 Paris AFP in Spanish 1450 GMT 23 Dec 89

[Text] Georgetown, 23 Dec (AFP)—In a communique issued today in Georgetown, the Guyanese Government deplored the U.S. intervention in Panama, which it said was "more regrettable in light of the current climate of international detente."

"Guyana regrets the U.S. military action in Panama because it violates the principle of nonintervention, which is even more regrettable in light of the current climate of international detente in which dialogue and negotiation are favored for the solution to conflicts," the communique adds.

The Guyanese Government recalled that in July, the heads of state of the Caribbean Common Market (Caricom) stressed the need for the "problems of Panama to be solved without foreign intervention" and called for "total respect for Panama's sovereignty."

The communique released today regrets the fact that the Caricom has not assumed a joint position to reject, as a whole, the intervention.

According to Georgetown, Barbados, Jamaica, St Vincent and the Grenadines, Saint Lucia, and Trinidad-Tobago have rejected the U.S. action. Meanwhile, Dominican Prime Minister Eugenia Charles has supported it.

Further on Government Comments

FL2312165789 Bridgetown CANA in English 1523 GMT 23 Dec 89

[Text] Georgetown, Guyana, Dec 23, CANA— The Guyana Government has expressed "great disappointment" at the turn of events in Panama, where the United States staged a military strike against strongman General Manuel Antonio Noriega. The government's position was given in a statement in which it said Guyana had hoped that there might have been a single Caribbean Community statement but "unfortunately, this did not prove possible and a number of governments have made individual statements."

The government said action such as that taken by the U.S. in Panama, which "violates the principle of non-intervention, is regretted all the more in the light of the encouraging international climate in which dialogue and negotiation have been increasingly employed for the resolution of conflict and the reduction of international tension."

It recalled that the 10th meeting of the Conference of Caribbean Community Heads of Government in Grenada in July this year had reiterated the leaders' conviction that the problems in Panama should be resolved without foreign intervention and had called for total respect for the national sovereignty of Panama. It expressed the hope that the "hostilities would be speedily ended and conditions established to enable the Panamanian people to determine their own destiny, free from external interference."

Marxism To Remain PPP's Ideology

FL2112230589 Bridgetown CANA in English 1535 GMT 21 Dec 89

[Text] Georgeir, Guyana, Dec 21, CANA—Leader of the People's Progressive Party (PPP) Dr. Cheddi Jagan says he will not be renouncing the Marxist ideology of his party.

"We are not renouncing our beliefs. Marxism/Leninism is a working class ideology ... We are wedded to liberating the working people ... From the shackles of exploitation and plunder," Jagan told reporters on Wednesday in response to a question about changes in Eastern Europe.

"The PPP has no intention of forcing any model or ideology on anyone ... Those who see the party as being steeped in orthodoxy and as a pawn in big power politics, cannot make any claim of seriously understanding Guyanese politics," he added. He urged journalists "to stop applying labels" and focus on his party's programme.

Jagan said his party stood "firmly behind the forces of democracy and renewal in socialist Europe as it has always stood for democracy in Latin America, Guyana and other parts of the world. "The people of every country, socialist or otherwise, have the inalienable right to determine their future and the composition of their government and its policies."

Jagan said that while the PPP understands the "geopolitical realities", it must point out that under the Soviet Union's new foreign policy "new standards of international behaviour are evolving."